

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TEXAS INSTRUMENTS INCORPORATED
TEXAS INSTRUMENTS FINANCIAL TRUST
(Exact name of each Registrant as
specified
in its charter or trust agreement)

DELAWARE
DELAWARE
(State or other jurisdiction of
incorporation or organization)

75-0289970
TO BE APPLIED FOR
(I.R.S. employer
identification number)

13500 NORTH CENTRAL EXPRESSWAY
P.O. BOX 655474
DALLAS, TEXAS 75265-5474
(214) 995-2551

(Address, including zip code, and telephone number, including area code, of
Registrants' principal executive offices)

RICHARD J. AGNICH, SECRETARY
TEXAS INSTRUMENTS INCORPORATED
13500 NORTH CENTRAL EXPRESSWAY
P.O. BOX 655474
DALLAS, TEXAS 75265-5474
(214) 995-2551

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

COPIES TO:

Edwin Deane Leonard, Esq.
Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
(212) 450-4000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time
to time after this registration statement becomes effective.

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Texas Instruments Financial Trust Preferred Securities....	\$400,000,000(6)	100%	\$400,000,000(6)	\$137,932
Texas Instruments Incorporated Guarantee of Texas Instruments Financial Trust Preferred Securities(2)(3).....				

Texas Instruments Incorporated Junior Subordinated
Deferrable Interest Debentures(4).....

Texas Instruments Incorporated Common Stock(5).....

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457 under the Securities Act of 1933.
- (2) No separate consideration will be received for the Guarantee.
- (3) This Registration Statement is deemed to cover the rights of holders of the Preferred Securities under the Guarantee and certain backup undertakings as described herein.
- (4) The Junior Subordinated Deferrable Interest Debentures will be purchased by Texas Instruments Financial Trust with the proceeds of the sale of the Preferred Securities.
- (5) Such indeterminate number of shares of Common Stock as may be issuable from time to time upon conversion of Junior Subordinated Deferrable Interest Debentures being registered hereunder.
- (6) Such amount represents the initial offering price of the Preferred Securities. It is also equal to the purchase price of the Junior Subordinated Deferrable Interest Debentures. No separate consideration will be received for the Guarantee or Junior Subordinated Deferrable Interest Debentures in connection with an issuance of Preferred Securities by Texas Instruments Financial Trust.

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

 *
 * INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A *
 * REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED *
 * WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT *
 * BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME A FINAL *
 * PROSPECTUS SUPPLEMENT IS DELIVERED. THIS PROSPECTUS SHALL NOT *
 * CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY *
 * NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH *
 * SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO *
 * REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH *
 * STATE. *
 *

SUBJECT TO COMPLETION, DATED JUNE 28, 1996

LOGO

TEXAS INSTRUMENTS
 FINANCIAL TRUST
 PREFERRED SECURITIES GUARANTEED
 TO THE EXTENT THE ISSUER HAS
 FUNDS AS SET FORTH HEREIN BY
 TEXAS INSTRUMENTS INCORPORATED

TEXAS INSTRUMENTS
 INCORPORATED
 JUNIOR
 SUBORDINATED
 DEFERRABLE
 INTEREST
 DEBENTURES

Texas Instruments Financial Trust, a trust formed under the laws of the State of Delaware (the "Issuer"), may offer, from time to time, preferred securities (the "QUIPS") representing preferred undivided beneficial interests in the assets of the Issuer. Texas Instruments Incorporated ("Texas Instruments") will be the owner of the common securities (the "Common Securities") of the Issuer. The payment of periodic cash distributions ("Distributions") with respect to the QUIPS and payments on liquidation or redemption with respect to such QUIPS, in each case to the extent of funds held by the Issuer, are each irrevocably guaranteed by Texas Instruments as described herein (the "Guarantee"). See "Description of Guarantee". The obligations of Texas Instruments under the Guarantee will be subordinate and junior in right of payment to all Senior Debt of Texas Instruments.

Concurrently with the issuance by the Issuer of its QUIPS, the Issuer will invest the proceeds thereof and any contributions made by Texas Instruments in respect of Texas Instruments' purchase of the Common Securities in a corresponding series of Texas Instruments' junior subordinated deferrable interest debentures (such debentures being called "QUIDS" and, with respect to those in such corresponding series, the "Corresponding QUIDS") with terms corresponding to the terms of the Issuer's QUIPS. The Corresponding QUIDS will be the sole assets of the Issuer, and payments under the Corresponding QUIDS and the Expense Agreement (as defined herein) will be the only revenue of the Issuer.

(Continued on next page)

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS , 1996.

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(Continued from previous page)

The QUIDS will be unsecured and subordinate and junior in right of payment to Senior Debt (as defined in "Description of QUIDS -- Subordination") of Texas Instruments. Texas Instruments may redeem the Corresponding QUIDS (and cause the redemption of the related QUIPS) or may terminate the Issuer and cause the Corresponding QUIDS to be distributed to the holders of QUIPS in liquidation of their interests in the Issuer. See "Description of QUIPS -- Liquidation Distribution Upon Termination".

Holders of the QUIPS will be entitled to receive preferential cumulative cash Distributions accumulating from the date of original issuance and payable periodically as specified in an accompanying Prospectus Supplement. If provided in an accompanying Prospectus Supplement, Texas Instruments will have the right to defer payments of interest on any series of Corresponding QUIDS at any time or from time to time for one or more Extension Periods (as defined herein) (which shall not extend beyond the stated maturity (the "Stated Maturity") of the Corresponding QUIDS). See "Description of QUIDS -- Option To Extend Interest Payment Date." If interest payments are so deferred, Distributions on the corresponding series of QUIPS will also be deferred, and Texas Instruments will not be permitted, subject to certain exceptions set forth herein, to declare or pay any cash distributions with respect to Texas Instruments' capital stock or debt securities that rank pari passu with or junior to the Corresponding QUIDS. During an Extension Period, interest on the Corresponding QUIDS will continue to accrue (and the amount of Distributions to which holders of the QUIPS are entitled will accumulate at the rate per annum set forth in the related Prospectus Supplement). See "Description of QUIPS -- Distributions."

Taken together, Texas Instruments' obligations under each series of QUIDS, the Indenture, the Trust Agreement, the Expense Agreement and the Guarantee (each, as defined herein), in the aggregate, provide a full, irrevocable and unconditional guarantee of payments of Distributions and other amounts due on the related series of QUIPS. See "Relationship Among the QUIPS, the Corresponding QUIDS and the Guarantee -- Full and Unconditional Guarantee".

Texas Instruments may also offer one or more series of QUIDS, as provided in an accompanying Prospectus Supplement.

The QUIPS and the QUIDS may be offered in amounts, at prices and on terms to be determined at the time of offering, provided that the aggregate initial public offering price of all QUIPS and QUIDS (other than Corresponding QUIDS) issued pursuant to the Registration Statement of which this Prospectus forms a part shall not exceed \$400,000,000.

Certain specific terms of the QUIPS and the QUIDS in respect of which this Prospectus is being delivered will be described in an accompanying Prospectus Supplement, including without limitation and where applicable and to the extent not set forth herein, (a) in the case of QUIPS, the specific title, aggregate amount, stated liquidation preference, number of securities, Distribution rate or method of calculating such rate, applicable Extension Period or Distribution deferral terms, if any, place or places where Distributions will be payable, any terms of redemption, conversion or exchange into Common Stock, \$1.00 par value per share, of Texas Instruments ("Texas Instruments Common Stock" or "Common Stock") or other securities, initial offering or purchase price, methods of distribution and any other special terms and (b) in the case of QUIDS, the specific designation, aggregate principal amount, denominations, maturity (including any extension thereof), interest payment dates, interest rate (which may be fixed or variable) or method of calculating interest, if any, applicable Extension Period or interest deferral terms, if any, place or places where principal, premium, if any, and interest, if any, will be payable, terms of redemption, if any, sinking fund provisions, if any, terms for conversion or exchange into shares of Texas Instruments Common Stock or other securities, if any, initial offering or purchase price, methods of distribution and any other special terms.

The Prospectus Supplement also will contain information, as applicable, about certain United States federal income tax consequences relating to the QUIPS and the QUIDS (collectively, the "Offered Securities").

The Offered Securities may be sold to or through underwriters, through dealers, remarketing firms or agents or directly to purchasers. See "Plan of Distribution". The names of any underwriters, dealers,

remarketing firms or agents involved in the sale of the Offered Securities in respect of which this Prospectus is being delivered and any applicable fee, commission or discount arrangements with them will be set forth in a Prospectus Supplement. The Prospectus Supplement will state whether the Offered Securities will be listed on the New York Stock Exchange (the "NYSE") or on any national securities exchange or on the Nasdaq National Market. If the Offered Securities are not listed on the NYSE or on any national securities exchange or on the Nasdaq National Market, there can be no assurance that there will be a liquid secondary market for the Offered Securities.

This Prospectus may not be used to consummate sales of Offered Securities unless accompanied by a Prospectus Supplement.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR ANY ACCOMPANYING PROSPECTUS SUPPLEMENT IN CONNECTION WITH THE OFFER MADE HEREBY AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY TEXAS INSTRUMENTS, THE ISSUER OR ANY UNDERWRITER, DEALER OR AGENT. NEITHER THE DELIVERY OF THIS PROSPECTUS OR ANY ACCOMPANYING PROSPECTUS SUPPLEMENT NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN OR IN ANY ACCOMPANYING PROSPECTUS SUPPLEMENT IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF OR THEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF TEXAS INSTRUMENTS SINCE THE DATE HEREOF OR THEREOF. NEITHER THIS PROSPECTUS NOR ANY ACCOMPANYING PROSPECTUS SUPPLEMENT CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

AVAILABLE INFORMATION

Texas Instruments is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). The registration statement of which this Prospectus forms a part, as well as reports, proxy statements and other information filed by Texas Instruments, may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, 7 World Trade Center, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Texas Instruments' Common Stock is listed on the New York Stock Exchange and reports and other information herein and therein concerning Texas Instruments can also be inspected at the office of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Such material may also be accessed electronically by means of the Commission's home page on the Internet at <http://www.sec.gov>.

Texas Instruments and the Issuer have filed with the Commission a Registration Statement on Form S-3 (together with all amendments and exhibits thereto, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the securities offered hereby. This Prospectus and the accompanying Prospectus Supplement omit, in accordance with the rules and regulations of the Commission, certain of the information contained in the Registration Statement. Reference is hereby made to the Registration Statement and the exhibits and the financial statements, notes and schedules filed as a part thereof or incorporated by reference therein for further information with respect to Texas Instruments, the Issuer and the securities offered hereby. Statements contained herein concerning the provisions of any document are not necessarily complete and, in each instance, where a copy of such document has been filed as an exhibit to the Registration Statement or otherwise has been filed with the Commission, reference is made to the copy so filed. Each such statement is qualified in its entirety by such reference.

No separate financial statements of the Issuer have been included herein. Texas Instruments and the Issuer do not consider that such financial statements would be material to holders of the QUIPS because the

Issuer is a newly formed special purpose entity, has no operating history or independent operations and is not engaged in and does not propose to engage in any activity other than holding as trust assets the Corresponding QUIDS of Texas Instruments and issuing the QUIPS and Common Securities. See "The Issuer", "Description of QUIPS", "Description of Guarantee" and "Description of Corresponding QUIDS".

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents have been filed by Texas Instruments with the Commission pursuant to the Exchange Act and are hereby incorporated herein by reference and made a part of this Prospectus:

(a) Texas Instruments' Annual Report on Form 10-K for the year ended December 31, 1995 (as amended by the Form 10-K/A filed June 21, 1996);

(b) Texas Instruments' Quarterly Report on Form 10-Q for the quarter ended March 31, 1996;

(c) Texas Instruments' Current Reports on Form 8-K dated January 2, 1996, January 18, 1996, January 24, 1996, January 25, 1996, February 5, 1996, March 6, 1996, May 30, 1996 and June 24, 1996.

All documents filed by Texas Instruments with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities shall be deemed to be incorporated herein by reference and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Texas Instruments will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus is delivered, upon written or oral request of such person, a copy of any or all of the documents referred to above which have been or may be incorporated by reference in this Prospectus (not including the exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents). Requests for such documents should be directed to Texas Instruments Incorporated, 13500 North Central Expressway, Post Office Box 655474, Dallas, Texas 75265-5474, Attention: Manager of Investor Relations, telephone (214) 995-3773.

TEXAS INSTRUMENTS INCORPORATED

Texas Instruments Incorporated ("Texas Instruments") was incorporated in the State of Delaware in 1938, and has its principal executive offices in Dallas, Texas. Texas Instruments is engaged in the development, manufacture and sale of a variety of products in the electrical and electronics industry for industrial, government and consumer markets. These products consist of components, defense electronics and digital products. Texas Instruments also produces metallurgical materials. Texas Instruments' business is based principally on its broad semiconductor technology and application of this technology to selected electronic end-equipment markets.

The mailing address of Texas Instruments' principal executive offices is Post Office Box 655474, Dallas, Texas 75265-5474, and its telephone number is (214) 995-2551.

THE ISSUER

The Issuer is a statutory business trust formed under Delaware law pursuant to (i) a trust agreement executed by Texas Instruments, as sponsor of the Issuer, and the Property Trustee, the Delaware Trustee and the Administrative Trustees (as defined herein) of the Issuer and (ii) the filing of a certificate of trust with the Delaware Secretary of State. The trust agreement will be amended and restated in its entirety (as so amended and restated, the "Trust Agreement") substantially in the form filed as an exhibit to the Registration Statement of which this Prospectus forms a part. The Trust Agreement will be qualified as an indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The Issuer exists for the exclusive purposes of (i) issuing and selling its QUIPS and Common Securities, (ii) using the proceeds from the sale of such QUIPS and Common Securities to acquire a corresponding series of Corresponding QUIDS issued by Texas Instruments and (iii) engaging in only those other activities necessary, convenient or incidental thereto. Accordingly, the Corresponding QUIDS will be the sole assets of the Issuer, and payments under the Corresponding QUIDS and the Expense Agreement will be the sole revenue of the Issuer.

All of the Common Securities will be owned by Texas Instruments. The Common Securities will rank *pari passu*, and payments will be made thereon *pro rata*, with the QUIPS, except that upon the occurrence and continuance of an event of default under a Trust Agreement resulting from a Debenture Event of Default (as defined herein), the rights of Texas Instruments as holder of the Common Securities to payment in respect of Distributions and payments upon liquidation, redemption or otherwise will be subordinated to the rights of the holders of the QUIPS. See "Description of QUIPS -- Subordination of Common Securities". Texas Instruments will acquire Common Securities in an aggregate Liquidation Amount (as defined herein) equal to not less than 3% of the total capital of the Issuer.

Unless otherwise specified in the applicable Prospectus Supplement, the Issuer has a term of approximately 55 years, but may terminate earlier as provided in the applicable Trust Agreement. The Issuer's business and affairs are conducted by its trustees, which will be appointed by Texas Instruments as holder of the Common Securities.

Unless otherwise specified in the applicable Prospectus Supplement, the trustees shall be The First National Bank of Chicago ("FNBC"), as the Property Trustee (the "Property Trustee") and First Chicago Delaware Inc., as the Delaware Trustee (the "Delaware Trustee"), and two individual trustees (the "Administrative Trustees") who are employees or officers of or affiliated with Texas Instruments (collectively, the "Issuer Trustees"). FNBC, as Property Trustee, will act as sole indenture trustee under the Trust Agreement for purposes of compliance with the Trust Indenture Act. FNBC will also act as trustee under the Guarantee and the Indenture (each as defined herein). See "Description of Guarantee" and "Description of QUIDS". The holder of the Common Securities, or the holders of a majority in Liquidation Amount of the QUIPS if any Debenture Event of Default has occurred and is continuing, will be entitled to appoint, remove or replace the Property Trustee and/or the Delaware Trustee. In no event will the holders of the QUIPS have the right to vote to appoint, remove or replace the Administrative Trustees; such voting rights are vested exclusively in the holder of the Common Securities. The duties and obligations of the Issuer Trustees are governed by the Trust Agreement. Texas Instruments will pay all fees and expenses related to the Issuer and

the offering of the QUIPS and will pay, directly or indirectly, all ongoing costs, expenses and liabilities of the Issuer. The principal executive office of the Issuer is 13500 North Central Expressway, Post Office Box 655474, Dallas, Texas 75265-5474, Attention: Secretary, and its telephone number is (214) 995-2551.

USE OF PROCEEDS

Except as otherwise set forth in the applicable Prospectus Supplement, Texas Instruments intends to use the proceeds from the sale of its QUIDS (including Corresponding QUIDS issued to the Issuer in connection with the investment by the Issuer of all of the proceeds from the sale of QUIPS) for general corporate purposes, including possible acquisitions.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows the ratio of earnings to fixed charges for each of the years ended December 31, 1991 through 1995 and for the three months ended March 31, 1996.

	YEARS ENDED DECEMBER 31,					THREE MONTHS
	1991	1992	1993	1994	1995	ENDED MARCH 31, 1996
Ratio of earnings to fixed charges(1).....	(2)	4.8 x	8.5 x	11.6x	15.6x	12.2x

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- (1) For the purpose of computing the above ratios, "earnings" consist of income (loss) before provision for income taxes, interest expense, amortization of capitalized interest and that portion of rental and lease expense which is representative of interest; and "fixed charges" consist of interest incurred (expensed and capitalized) and that portion of rental and lease expense which is representative of interest.
- (2) Not meaningful because of losses for 1991. The coverage deficiency (amount by which "fixed charges" exceed "earnings") for 1991 was \$309 million.

DESCRIPTION OF QUIPS

Pursuant to the terms of the Trust Agreement, the Issuer Trustees on behalf of the Issuer will issue the QUIPS and the Common Securities. The QUIPS of a particular issue will represent preferred undivided beneficial interests in the assets of the Issuer and the holders thereof will be entitled to a preference in certain circumstances with respect to Distributions and amounts payable on redemption or liquidation over the Common Securities, as well as other benefits as described in the Trust Agreement. This summary of certain provisions of the QUIPS and the Trust Agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Trust Agreement, including the definitions therein of certain terms, and the Trust Indenture Act. Wherever particular defined terms of the Trust Agreement (as supplemented or amended from time to time) are referred to herein or in a Prospectus Supplement, such defined terms are incorporated herein or therein by reference. The form of the Trust Agreement has been filed as an exhibit to the Registration Statement of which this Prospectus forms a part.

Reference is made to the Prospectus Supplement relating to the particular series of QUIPS being offered thereby for the specific terms thereof, including: (i) the identity of the Issuer issuing such series of QUIPS; (ii) the initial public offering price of such series of QUIPS; (iii) the specific designation of such series of QUIPS; (iv) the number of QUIPS included in such series, which number may be increased or decreased from time to time unless otherwise provided by the Issuer Trustees in creating the series; (v) the annual Distribution rate of QUIPS of such series (or method of determining such rate) and when Distributions will accrue and be payable; (vi) whether Distributions on QUIPS of such series shall be cumulative, and, if so, the date or dates or method of determining the date or dates from which Distributions on QUIPS of such series shall be cumulative; (vii) the amount or amounts which shall be paid out of the assets of the Issuer to the holders of QUIPS of such series upon voluntary or involuntary liquidation, dissolution or winding-up of the Issuer; (viii) if applicable, the price or prices at which, the date or dates on which, the period or periods within which and the terms and conditions upon which QUIPS of such series may be redeemed or purchased, in

whole or in part, at the option of the Issuer or the Issuer Trustees; (ix) the obligation, if any, of the Issuer to purchase or redeem QUIPS of such series and the price or prices at which, the date or dates on which, the period or periods within which and the terms and conditions upon which QUIPS of such series shall be purchased or redeemed, in whole or in part, pursuant to such obligation; (x) the voting rights, if any, of QUIPS of such series in addition to those required by law, including the number of votes per QUIPS of such series and any requirement for the approval by the holders of a certain specified percentage of QUIPS of such series as a condition to specified action or amendments to the Trust Agreement; (xi) the terms and conditions, if any, under which QUIPS of such series may be converted into shares of Texas Instruments Common Stock, including the conversion price per share and the circumstances, if any, under which any such conversion right shall expire; (xii) the terms and conditions, if any, upon which the related series of QUIPS may be distributed to holders of QUIPS of such series; (xiii) if applicable, any securities exchange upon which the QUIPS of such series shall be listed; and (xiv) any other rights, preferences, privileges, limitations or restrictions of the QUIPS of such series (and such Prospectus Supplement may state that any of the terms set forth herein are inapplicable to QUIPS of such series or are modified to the extent described therein).

GENERAL

The QUIPS will rank *pari passu*, and payments will be made thereon *pro rata*, with the Common Securities except as described under "-- Subordination of Common Securities". Legal title to the Corresponding QUIPS will be held by the Property Trustee in trust for the benefit of the holders of the related QUIPS and Common Securities. The Guarantee Agreement executed by Texas Instruments for the benefit of the holders of the QUIPS (the "Guarantee") will be a guarantee on a subordinated basis with respect to the related QUIPS but will not guarantee payment of Distributions or amounts payable on redemption or liquidation of such QUIPS when the Issuer does not have funds on hand available to make such payments. See "Description of Guarantee".

DISTRIBUTIONS

The Issuer's QUIPS represent preferred undivided beneficial interests in the assets of the Issuer, and the Distributions on each QUIPS will be payable at a rate specified in the Prospectus Supplement for such QUIPS. The amount of Distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months unless otherwise specified in the applicable Prospectus Supplement. Distributions to which holders of QUIPS are entitled will accumulate additional Distributions at the rate *per annum* if and as specified in the applicable Prospectus Supplement. The term "Distributions" as used herein includes any such additional Distributions unless otherwise stated.

Distributions on the QUIPS will be cumulative, will accrue from the date of original issuance and will be payable on such dates as specified in the applicable Prospectus Supplement. In the event that any date on which Distributions are payable on the QUIPS is not a Business Day (as defined below), payment of the Distribution payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect to any such delay) except that, if such Business Day is in the next succeeding calendar year, payment of such Distribution shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date (each date on which Distributions are payable in accordance with the foregoing, a "Distribution Date"). A "Business Day" shall mean any day other than a Saturday or a Sunday, or a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed or a day on which the corporate trust office of the Property Trustee or the Debenture Trustee (as defined herein) is closed for business.

If provided in the applicable Prospectus Supplement, Texas Instruments has the right under the Indenture, pursuant to which it will issue the Corresponding QUIPS, to defer the payment of interest at any time or from time to time on any series of the Corresponding QUIPS for a period which will be specified in such Prospectus Supplement relating to such series (each, an "Extension Period"), provided that no Extension Period may extend beyond the Stated Maturity of such series of QUIPS. As a consequence of any such extension, Distributions on the corresponding QUIPS would be deferred (but the QUIPS would continue to accumulate additional Distributions thereon at the rate *per annum* set forth in the Prospectus Supplement).

Supplement for such QUIPS) by the Issuer during any such Extension Period. During such Extension Period Texas Instruments may not, and may not permit any subsidiary of Texas Instruments to, (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of Texas Instruments' capital stock or (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of Texas Instruments that rank pari passu with or junior in interest to the Corresponding QUIPS or make any guarantee payments with respect to any guarantee by Texas Instruments of the debt securities of any subsidiary of Texas Instruments if such guarantee ranks pari passu with or junior in interest to the Corresponding QUIPS (other than (a) dividends or distributions in Texas Instruments Common Stock, (b) redemptions or purchases of any rights pursuant to Texas Instruments' Shareholders Rights Plan, or any successor to such Shareholders Rights Plan, and the declaration of a dividend of such rights or the issuance of Preferred Stock under such plans in the future, (c) payments under the Guarantee, (d) purchases of Common Stock related to the issuance of Common Stock under any of Texas Instruments' benefit plans for its directors, officers or employees and (e) purchases of Common Stock required to prevent the loss or secure the renewal or reinstatement of any government license or franchise held by Texas Instruments or any of its subsidiaries).

The funds of the Issuer available for distribution to holders of its QUIPS will be limited to payments under the Corresponding QUIPS in which the Issuer will invest the proceeds from the issuance and sale of its QUIPS and its Common Securities. See "Description of Corresponding QUIPS". If Texas Instruments does not make interest payments on such Corresponding QUIPS, the Property Trustee will not have funds available to pay Distributions on the related QUIPS. The payment of Distributions (if and to the extent the Issuer has funds legally available for the payment of such Distributions and cash sufficient to make such payments) is guaranteed by Texas Instruments on a limited basis as set forth herein under "Description of Guarantee".

Distributions on the QUIPS will be payable to the holders thereof as they appear on the register of the Issuer on the relevant record dates, which, as long as the QUIPS remain in book-entry form, will be one Business Day prior to the relevant Distribution Date. Subject to any applicable laws and regulations and the provisions of the applicable Trust Agreement, each such payment will be made as described under "-- Book-Entry Issuance". In the event any QUIPS are not in book-entry form, the relevant record date for such QUIPS shall be a date at least 15 days prior to the relevant Distribution Date, as specified in the applicable Prospectus Supplement.

REDEMPTION OR EXCHANGE

Mandatory Redemption. If provided in the applicable Prospectus Supplement, upon the repayment or redemption, in whole or in part, of any Corresponding QUIPS, whether at maturity or upon earlier redemption as provided in the Indenture, the proceeds from such repayment or redemption shall be applied by the Property Trustee to redeem a Like Amount (as defined below) of the related QUIPS and the Common Securities, upon not less than 30 nor more than 60 days notice, at a redemption price (the "Redemption Price") equal to the aggregate Liquidation Amount of such QUIPS plus accumulated and unpaid Distributions thereon to the date of redemption (the "Redemption Date") and the related amount of the premium, if any, paid by Texas Instruments upon the concurrent redemption of such Corresponding QUIPS. If less than all of any series of Corresponding QUIPS are to be repaid or redeemed on a Redemption Date, then the proceeds from such repayment or redemption shall be allocated to the redemption pro rata of the related QUIPS and the Common Securities. The amount of premium, if any, paid by Texas Instruments upon the redemption of all or any part of any series of any Corresponding QUIPS to be repaid or redeemed on a Redemption Date shall be allocated to the redemption pro rata of the related QUIPS and the Common Securities.

Reference is made to the Prospectus Supplement relating to the particular series of QUIPS being offered thereby for additional or alternative provisions relating to mandatory redemption.

Texas Instruments will have the right to redeem any series of Corresponding QUIPS (i) in whole at any time or in part from time to time, subject to the conditions described under "Description of Corresponding

QUIDS -- Optional Redemption", (ii) at any time, in whole (but not in part), upon the occurrence of a Tax Event or an Investment Company Event (each as defined below, a "Special Event") and subject to the further conditions described under "Description of Corresponding QUIDS -- Optional Redemption", or (iii) as may be otherwise specified in the applicable Prospectus Supplement.

Special Event Redemption or Distribution of Corresponding QUIDS. If provided in the applicable Prospectus Supplement, if a Special Event in respect of a series of QUIPS and Common Securities shall occur and be continuing, Texas Instruments has the right to redeem the Corresponding QUIDS in whole (but not in part) and thereby cause a mandatory redemption of such QUIPS and Common Securities in whole (but not in part) at the Redemption Price within 90 days following the occurrence of such Special Event. At any time, Texas Instruments has the right to terminate the Issuer and, after satisfaction of liabilities to creditors of the Issuer as provided by applicable law, cause such Corresponding QUIDS to be distributed to the holders of such QUIPS and Common Securities in liquidation of the Issuer. If Texas Instruments does not elect either option described above, the applicable series of QUIPS will remain outstanding and, in the event a Tax Event has occurred and is continuing, Additional Sums (as defined below) may be payable on the Corresponding QUIDS.

Reference is made to the Prospectus Supplement relating to the particular series of QUIPS being offered thereby for additional or alternative provisions relating to optional redemption or exchange.

"Additional Sums" means the additional amounts as may be necessary in order that the amount of Distributions then due and payable by the Issuer on the outstanding QUIPS and Common Securities shall not be reduced as a result of any additional taxes, duties and other governmental charges to which the Issuer has become subject as a result of a Tax Event.

"Investment Company Event" means the receipt by the Issuer of an opinion of counsel, rendered by a law firm having a recognized national tax and securities practice, to the effect that, as a result of the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law"), the Issuer is or will be considered an "investment company" that is required to be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), which Change in 1940 Act Law becomes effective on or after the date of original issuance of the series of QUIPS issued by the Issuer.

"Like Amount" means (i) with respect to a redemption of any series of QUIPS, QUIPS of such series and the Common Securities having a Liquidation Amount (as defined below) equal to that portion of the principal amount of Corresponding QUIDS to be contemporaneously redeemed in accordance with the Indenture allocated 3% to the Common Securities and 97% to the QUIPS of such series and the proceeds of which will be used to pay the Redemption Price of such QUIPS and to redeem such Common Securities, and (ii) with respect to a distribution of Corresponding QUIDS to holders of any series of QUIPS and the Common Securities in connection with a dissolution or liquidation of the Issuer, Corresponding QUIDS having a principal amount equal to the Liquidation Amount of the QUIPS and the Common Securities of the holder to whom such Corresponding QUIDS are distributed. "Liquidation Amount" means the stated amount provided in the applicable Prospectus Supplement per QUIPS and Common Security.

"Tax Event" means the receipt by the Issuer of an opinion of counsel, rendered by a law firm having a national tax and securities practice, to the effect that, as a result of any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which pronouncement or decision is announced on or after the date of issuance of the QUIPS under the Trust Agreement, there is more than an insubstantial risk that (i) the Issuer is, or will be within 90 days of the date of such opinion, subject to United States federal income tax with respect to income received or accrued on the corresponding series of Corresponding QUIDS, (ii) interest payable by Texas Instruments on such series of Corresponding QUIDS is not, or within 90 days of the date of such opinion, will not be, deductible by Texas Instruments, in whole or in part, for United States federal income tax purposes, or (iii) the Issuer is, or will be within 90 days of the date of such opinion, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

After the liquidation date fixed for any distribution of Corresponding QUIDS for any series of QUIPS (i) such series of QUIPS will no longer be deemed to be outstanding, (ii) The Depository Trust Company ("DTC") or its nominee, as the record holder of such series of QUIPS, will receive a registered global certificate or certificates representing the Corresponding QUIDS to be delivered upon such distribution and (iii) any certificates representing such series of QUIPS not held by DTC or its nominee will be deemed to represent the Corresponding QUIDS having a principal amount equal to the Liquidation Amount of such series of QUIPS, and bearing accrued and unpaid interest in an amount equal to the accrued and unpaid Distributions on such series of QUIPS until such certificates are presented to the Administrative Trustees or their agent for transfer or reissuance.

There can be no assurance as to the market prices for the QUIPS or the Corresponding QUIDS that may be distributed in exchange for QUIPS if a dissolution and liquidation of the Issuer were to occur. Accordingly, the QUIPS that an investor may purchase, or the Corresponding QUIDS that the investor may receive on dissolution and liquidation of the Issuer, may trade at a discount to the price that the investor paid to purchase the QUIPS offered hereby.

REDEMPTION PROCEDURES

The following redemption procedures shall apply unless otherwise provided in the Prospectus Supplement relating to the particular series of QUIPS being offered thereby.

QUIPS redeemed on each Redemption Date shall be redeemed at the Redemption Price with the applicable proceeds from the contemporaneous redemption of the Corresponding QUIDS. Redemptions of the QUIPS shall be made and the Redemption Price shall be payable on each Redemption Date only to the extent that the Issuer has funds on hand available for the payment of such Redemption Price. See also "-- Subordination of Common Securities".

Notice of any redemption of QUIPS (which notice will be irrevocable) will be given by the Issuer to Texas Instruments and each record holder of QUIPS that are being redeemed not fewer than 30 nor more than 60 days prior to the Redemption Date. If the Issuer gives a notice of redemption in respect of its QUIPS, then, by 12:00 noon, New York City time, on the Redemption Date, to the extent funds are available, the Property Trustee will deposit irrevocably with DTC funds sufficient to pay the applicable Redemption Price and will give DTC irrevocable instructions and authority to pay the Redemption Price to the holders of such QUIPS. See "-- Book-Entry Issuance". If such QUIPS are no longer in book-entry form, the Issuer, to the extent funds are available, will irrevocably deposit with the paying agent for such QUIPS funds sufficient to pay the applicable Redemption Price and will give such paying agent irrevocable instructions and authority to pay the Redemption Price to the holders thereof upon surrender of their certificates evidencing such QUIPS. Notwithstanding the foregoing, Distributions payable on or prior to the Redemption Date for any QUIPS called for redemption shall be payable to the holders of such QUIPS as of the relevant record dates for the related Distribution Dates. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of the holders of such QUIPS so called for redemption will cease, except the right of the holders of such QUIPS to receive the Redemption Price, but without interest on such Redemption Price, and such QUIPS will cease to be outstanding. In the event that any date fixed for redemption of QUIPS is not a Business Day, then payment of the Redemption Price payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day. In the event that payment of the Redemption Price in respect of QUIPS called for redemption is improperly withheld or refused and not paid either by the Issuer or by Texas Instruments pursuant to the Guarantee as described under "Description of Guarantee", Distributions on such QUIPS will continue to accrue at the then applicable rate, from the Redemption Date originally established by the Issuer to the date such Redemption Price is actually paid, in which case the actual payment date will be the date fixed for redemption for purposes of calculating the Redemption Price.

Subject to applicable law (including, without limitation, United States federal securities law), Texas Instruments or its subsidiaries may at any time and from time to time purchase outstanding QUIPS by tender, in the open market or by private agreement.

Payment of the Redemption Price on the QUIPS and any distribution or exchange of Corresponding QUIDS to holders of QUIPS shall be made to the applicable record holders thereof as they appear on the register for such QUIPS on the relevant record date, which shall be one Business Day prior to the relevant Redemption Date or liquidation date, as applicable; provided, however, that in the event that any QUIPS are not in book-entry form, the relevant record date for such QUIPS shall be a date at least 15 days prior to the Redemption Date or liquidation date, as applicable, as specified in the applicable Prospectus Supplement.

If less than all of the QUIPS and Common Securities issued by the Issuer are to be redeemed on a Redemption Date, then the aggregate Liquidation Amount of such QUIPS and Common Securities to be redeemed shall be allocated pro rata among the QUIPS and the Common Securities. The particular QUIPS to be redeemed shall be selected on a pro rata basis not more than 60 days prior to the Redemption Date by the Property Trustee from the outstanding QUIPS not previously called for redemption, by such method as the Property Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$50 or an integral multiple of \$50 in excess thereof) of the Liquidation Amount of the QUIPS. The Property Trustee shall promptly notify the trust registrar in writing of the QUIPS selected for redemption and, in the case of any QUIPS selected for partial redemption, the Liquidation Amount thereof to be redeemed. For all purposes of the Trust Agreement, unless the context otherwise requires, all provisions relating to the redemption of QUIPS shall relate, in the case of any QUIPS redeemed or to be redeemed only in part, to the portion of the aggregate Liquidation Amount of QUIPS which has been or is to be redeemed.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder of QUIDS to be redeemed at its registered address. Unless Texas Instruments defaults in payment of the Redemption Price, on and after the Redemption Date interest ceases to accrue on such QUIDS or portions thereof called for redemption.

SUBORDINATION OF COMMON SECURITIES

Payment of Distributions on, and the Redemption Price of, the QUIPS and Common Securities, as applicable shall be made pro rata based on the Liquidation Amount of such QUIPS and Common Securities; provided, however, that if on any Distribution Date or Redemption Date a Debenture Event of Default shall have occurred and be continuing, no payment of any Distribution on, or Redemption Price of, any of the Common Securities, and no other payment on account of the redemption, liquidation or other acquisition of such Common Securities, shall be made unless payment in full in cash of all accumulated and unpaid Distributions on all of the outstanding QUIPS for all Distribution periods terminating on or prior thereto, or in the case of payment of the Redemption Price the full amount of such Redemption Price on all of the outstanding QUIPS then called for redemption, shall have been made or provided for, and all funds available to the Property Trustee shall first be applied to the payment in full in cash of all Distributions on, or Redemption Price of, the QUIPS then due and payable.

In the case of any Event of Default resulting from a Debenture Event of Default, Texas Instruments as holder of the Common Securities will be deemed to have waived any right to act with respect to any such Event of Default under the applicable Trust Agreement until all such Events of Default with respect to such QUIPS have been cured, waived or otherwise eliminated. Until any such Events of Default under the applicable Trust Agreement with respect to the QUIPS have been so cured, waived or otherwise eliminated, the Property Trustee shall act solely on behalf of the holders of such QUIPS and not on behalf of Texas Instruments as holder of the Common Securities, and only the holders of such QUIPS will have the right to direct the Property Trustee to act on their behalf.

LIQUIDATION DISTRIBUTION UPON TERMINATION

Pursuant to the Trust Agreement, the Issuer shall automatically terminate upon expiration of its term and shall terminate on the first to occur of: (1) certain events of bankruptcy, dissolution or liquidation of Texas

Instruments; (ii) if applicable, the distribution of a Like Amount of the Corresponding QUIDS to the holders of its QUIPS and Common Securities, if Texas Instruments, as Depositor, has given written direction to the Property Trustee to terminate the Issuer (which direction is optional and wholly within the discretion of Texas Instruments, as Depositor); (iii) the redemption, conversion, if applicable, or exchange, if applicable, of all of the QUIPS and Common Securities; and (iv) the entry by a court of competent jurisdiction of an order for the dissolution of the Issuer.

If an early termination occurs as described in clause (i), (ii) or (iv) above, the Issuer shall be liquidated by the Issuer Trustees as expeditiously as the Issuer Trustees determine to be possible by distributing, after satisfaction of liabilities to creditors of the Issuer as provided by applicable law, to the holders of such QUIPS and Common Securities a Like Amount of the Corresponding QUIDS, unless such distribution is determined by the Property Trustee not to be practical, in which event such holders will be entitled to receive out of the assets of the Issuer available for distribution to holders, after satisfaction of liabilities to creditors of the Issuer as provided by applicable law, an amount equal to, in the case of holders of QUIPS the aggregate of the Liquidation Amount plus accrued and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution"). If such Liquidation Distribution can be paid only in part because the Issuer has insufficient assets available to pay in full the aggregate Liquidation Distribution, then the amounts payable directly by the Issuer on its QUIPS shall be paid on a pro rata basis. The holder(s) of the Common Securities will be entitled to receive distributions upon any such liquidation pro rata with the holders of its QUIPS, except that if a Debenture Event of Default has occurred and is continuing, the QUIPS shall have a priority over the Common Securities. A supplemental Indenture may provide that if an early termination occurs as described in clause (iv) above, the Corresponding QUIDS may be subject to optional redemption in whole (but not in part).

EVENTS OF DEFAULT; NOTICE

Any one of the following events constitutes an "Event of Default" under the Trust Agreement (an "Event of Default") with respect to the QUIPS issued thereunder (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) the occurrence of a Debenture Event of Default under the Indenture (see "Description of QUIDS -- Debenture Events of Default"); or

(ii) default by the Property Trustee in the payment of any Distribution when it becomes due and payable, and continuation of such default for a period of 30 days; or

(iii) default by the Property Trustee in the payment of any Redemption Price of any QUIPS or Common Security when it becomes due and payable; or

(iv) default in the performance, or breach, in any material respect, of any covenant or warranty of the Issuer Trustees in the Trust Agreement (other than a covenant or warranty a default in the performance of which or the breach of which is dealt with in clause (ii) or (iii) above), and continuation of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the defaulting Issuer Trustee or Trustees by the holders of at least 25% in aggregate Liquidation Amount of the outstanding QUIPS of the Issuer, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Trust Agreement; or

(v) the occurrence of certain events of bankruptcy or insolvency with respect to the Property Trustee and the failure by Texas Instruments to appoint a successor Property Trustee within 60 days thereof.

Within five Business Days after the occurrence of any Event of Default actually known to the Property Trustee, the Property Trustee shall transmit notice of such Event of Default to the holders of the QUIPS, the Administrative Trustees and Texas Instruments, as Depositor, unless such Event of Default shall have been cured or waived. Texas Instruments, as Depositor, and the Administrative Trustees are required to file

annually with the Property Trustee a certificate as to whether or not they are in compliance with all the conditions and covenants applicable to them under the Trust Agreement.

If a Debenture Event of Default has occurred and is continuing, the QUIPS shall have a preference over the Common Securities upon termination of the Issuer as described above. See "-- Liquidation Distribution Upon Termination". The existence of an Event of Default does not entitle the holders of QUIPS to accelerate the maturity thereof.

ENFORCEMENT OF CERTAIN RIGHTS BY HOLDERS OF QUIPS

If an Event of Default has occurred and is continuing, then the holders of QUIPS would rely on the enforcement by the Debenture Trustee of its rights as a holder of the Corresponding QUIDS against Texas Instruments. Notwithstanding the foregoing, if an Event of Default has occurred and is continuing and such event is attributable to the failure of Texas Instruments to pay interest or principal on the Corresponding QUIDS on the date such interest or principal is otherwise payable (or in the case of redemption, on the Redemption Date), then a holder of QUIPS may directly institute a proceeding against Texas Instruments for enforcement of payment to such holder of the principal of or interest on the Corresponding QUIDS having a principal amount equal to the aggregate Liquidation Amount of the QUIPS of such holder (a "Direct Action") after the respective due date specified in the Corresponding QUIDS. In connection with such Direct Action, Texas Instruments will be subrogated to the rights of such holder of QUIPS under the Trust Agreement to the extent of any payment made by Texas Instruments to such holder of QUIPS in such Direct Action.

REMOVAL OF ISSUER TRUSTEES

Unless a Debenture Event of Default shall have occurred and be continuing, any Issuer Trustee may be removed at any time by the holder of the Common Securities. If a Debenture Event of Default has occurred and is continuing, the Property Trustee and the Delaware Trustee may be removed at such time by the holders of a majority in Liquidation Amount of the outstanding QUIPS. In no event will the holders of the QUIPS have the right to vote to appoint, remove or replace the Administrative Trustees, which voting rights are vested exclusively in Texas Instruments as the holder of the Common Securities. No resignation or removal of an Issuer Trustee and no appointment of a successor trustee shall be effective until the acceptance of appointment by the successor trustee in accordance with the provisions of the applicable Trust Agreement.

CO-TRUSTEES AND SEPARATE PROPERTY TRUSTEE

Unless an Event of Default shall have occurred and be continuing, at any time or times, for the purpose of meeting the legal requirements of the Trust Indenture Act or of any jurisdiction in which any part of the Trust Property may at the time be located, Texas Instruments, as the holder of the Common Securities, and the Administrative Trustees shall have power to appoint one or more persons either to act as a co-trustee, jointly with the Property Trustee, of all or any part of such Trust Property, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in such capacity any property, title, right or power deemed necessary or desirable, subject to the provisions of the applicable Trust Agreement. In case a Debenture Event of Default has occurred and is continuing, the Property Trustee alone shall have power to make such appointment.

MERGER OR CONSOLIDATION OF ISSUER TRUSTEES

Any corporation into which the Property Trustee, the Delaware Trustee or any Administrative Trustee that is not a natural person may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of such Trustee, shall be the successor of such Trustee under the Trust Agreement, provided such corporation shall be otherwise qualified and eligible.

MERGERS, CONSOLIDATIONS, AMALGAMATIONS OR REPLACEMENTS OF THE ISSUER

The Issuer may not merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other Person, except as described below. The Issuer may, at the request of Texas Instruments, with the consent of the Administrative Trustees and without the consent of the holders of the QUIPS, merge with or into, consolidate, amalgamate, be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to a trust organized as such under the laws of any State; provided that (i) such successor entity either (a) expressly assumes all of the obligations of the Issuer with respect to the QUIPS or (b) substitutes for the QUIPS other securities having substantially the same terms as the QUIPS (the "Successor Securities") so long as the Successor Securities rank the same as the QUIPS rank in priority with respect to distributions and payments upon liquidation, redemption and otherwise, (ii) Texas Instruments expressly appoints a trustee of such successor entity possessing the same powers and duties as the Property Trustee as the holder of the Corresponding QUIDS, (iii) the Successor Securities are listed, or any Successor Securities will be listed upon notification of issuance, on any national securities exchange or other organization on which the QUIPS are then listed, if any, (iv) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the QUIPS (including any Successor Securities) to be downgraded by any nationally recognized statistical rating organization, (v) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the QUIPS (including any Successor Securities) in any material respect, (vi) such successor entity has a purpose identical to that of the Issuer, (vii) prior to such merger, consolidation, amalgamation, replacement, conveyance, transfer, or lease, Texas Instruments has received an opinion from independent counsel to the Issuer experienced in such matters to the effect that (a) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the QUIPS (including any Successor Securities) in any material respect and (b) following such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither the Issuer nor such successor entity will be required to register as an investment company under the Investment Company Act, and (viii) Texas Instruments or any permitted successor or assignee owns all of the Common Securities of such successor entity and guarantees the obligations of such successor entity under the Successor Securities at least to the extent provided by the Guarantee. Notwithstanding the foregoing, the Issuer shall not, except with the consent of holders of 100% in aggregate Liquidation Amount of the QUIPS, consolidate, amalgamate, merge with or into, be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Issuer or the successor entity to be classified as other than a grantor trust for United States federal income tax purposes.

VOTING RIGHTS; AMENDMENT OF THE TRUST AGREEMENT

Except as provided below and under "Description of Guarantee -- Amendments and Assignment" and as otherwise required by law and the Trust Agreement, the holders of the QUIPS will have no voting rights.

The Trust Agreement may be amended from time to time by Texas Instruments and the Issuer Trustees, without the consent of the holders of the QUIPS (i) to cure any ambiguity, correct or supplement any provisions in the Trust Agreement that may be inconsistent with any other provision, or to make any other provisions with respect to matters or questions arising under the Trust Agreement that shall not be inconsistent with the other provisions of the Trust Agreement, or (ii) to modify, eliminate or add to any provision of the Trust Agreement to such extent as shall be necessary to ensure that the Issuer will be classified for United States federal income tax purposes as a grantor trust at all times that any QUIPS and Common Securities are outstanding or to ensure that the Issuer will not be required to register as an "investment company" under the Investment Company Act, provided, however, that in the case of clause (i), such action shall not adversely affect in any material respect the interests of any holder of QUIPS or Common Securities, and any amendments of the Trust Agreement shall become effective when notice thereof is given to the holders of QUIPS and Common Securities. The Trust Agreement may be amended by the Issuer Trustees

and Texas Instruments with (i) the consent of holders representing not less than a majority (based upon Liquidation Amounts) of the outstanding QUIPS and Common Securities, acting as a single class, and (ii) receipt by the Issuer Trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the Issuer Trustees in accordance with such amendment will not affect the Issuer's status as a grantor trust for United States federal income tax purposes or the Issuer's exemption from the status of an "investment company" under the Investment Company Act, provided further that (i) without the consent of each holder of QUIPS and Common Securities, the Trust Agreement may not be amended to (ii) change the amount or timing of any Distribution on the QUIPS and Common Securities or otherwise adversely affect the amount of any Distribution required to be made in respect of the QUIPS and Common Securities as of a specified date or (iii) restrict the right of a holder of QUIPS and Common Securities to institute suit for the enforcement of any such payment on or after such date.

So long as any Corresponding QUIDS are held by the Property Trustee, the Issuer Trustees shall not (i) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee or executing any trust or power conferred on the Property Trustee with respect to such Corresponding QUIDS, (ii) waive any past default that is waivable under Section 513 of the Indenture, (iii) exercise any right to rescind or annul a declaration that the principal of all the QUIDS shall be due and payable or (iv) consent to any amendment, modification or termination of the Indenture or such Corresponding QUIDS, where such consent shall be required, without, in each case, obtaining the prior approval of the holders of a majority in aggregate Liquidation Amount of all outstanding QUIPS; provided, however, that where a consent under the Indenture would require the consent of each holder of Corresponding QUIDS affected thereby, no such consent shall be given by the Property Trustee without the prior consent of each holder of the corresponding QUIPS. The Issuer Trustees shall not revoke any action previously authorized or approved by a vote of the holders of the QUIPS except by subsequent vote of the holders of the QUIPS. The Property Trustee shall notify each holder of record of the QUIPS of any notice of default with respect to the Corresponding QUIDS. In addition to obtaining the foregoing approvals of the holders of the QUIPS, prior to taking any of the foregoing actions, the Issuer Trustees shall obtain an opinion of counsel experienced in such matters to the effect that the Issuer will not be classified as a corporation for United States federal income tax purposes on account of such action.

Any required approval of holders of QUIPS may be given at a meeting of holders of QUIPS convened for such purpose or pursuant to written consent. The Property Trustee will cause a notice of any meeting at which holders of QUIPS are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken, to be given to each holder of record of QUIPS in the manner set forth in the Trust Agreement.

No vote or consent of the holders of QUIPS will be required for an Issuer to redeem and cancel its QUIPS in accordance with the Trust Agreement.

Notwithstanding that holders of QUIPS are entitled to vote or consent under any of the circumstances described above, any of the QUIPS that are owned by Texas Instruments, the Issuer Trustees or any affiliate of Texas Instruments or any Issuer Trustees, shall, for purposes of such vote or consent, be treated as if they were not outstanding.

PAYMENT AND PAYING AGENCY

Payments in respect of the QUIPS shall be made to DTC, which shall credit the relevant accounts at DTC on the applicable Distribution Dates or, if the QUIPS are not held by DTC, such payments shall be made by check mailed to the address of the holder entitled thereto as such address shall appear on the Register. Unless otherwise specified in the applicable Prospectus Supplement, the paying agent (the "Paying Agent") shall initially be the Property Trustee and any co-paying agent chosen by the Property Trustee and acceptable to the Administrative Trustees and Texas Instruments. The Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Property Trustee and Texas Instruments. In the event that the Property Trustee shall no longer be the Paying Agent, the Administrative Trustees shall appoint a successor (which shall be a bank or trust company acceptable to the Administrative Trustees and Texas Instruments) to act as Paying Agent.

BOOK-ENTRY ISSUANCE

DTC will act as securities depository for all of the QUIPS. The QUIPS will be issued only as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). One or more fully-registered global certificates will be issued for the QUIPS, representing in the aggregate the total number of the QUIPS, and will be deposited with DTC.

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain custodial relationships with Direct Participants, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Commission.

Purchases of QUIPS within the DTC system must be made by or through Direct Participants, which will receive a credit for the QUIPS on DTC's records. The ownership interest of each actual purchaser of each QUIPS ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners purchased QUIPS. Transfers of ownership interests in the QUIPS are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in QUIPS, except in the event that use of the book-entry system for the QUIPS is discontinued.

DTC has no knowledge of the actual Beneficial Owners of the QUIPS; DTC's records reflect only the identity of the Direct Participants to whose accounts such QUIPS are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Redemption notices shall be sent to Cede & Co. as the registered holder of the QUIPS. If less than all of the QUIPS are being redeemed, DTC's current practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Although voting with respect to the QUIPS is limited to the holders of record of the QUIPS, in those instances in which a vote is required, neither DTC nor Cede & Co. will itself consent or vote with respect to QUIPS. Under its usual procedures, DTC would mail an omnibus proxy (the "Omnibus Proxy") to the Property Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such QUIPS are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners and the voting rights of Direct Participants, Indirect Participants and Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Distribution payments on the QUIPS will be made by the Property Trustee to DTC. DTC's practice is to credit Direct Participants' accounts on the relevant payment date in accordance with their respective holdings

shown on DTC's records unless DTC has reason to believe that it will not receive payments on such payment date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices and will be the responsibility of such Participant and not of DTC, the Property Trustee, the Issuer or Texas Instruments, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of Distributions to DTC is the responsibility of the Property Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to any of the QUIPS at any time by giving reasonable notice to the Property Trustee and Texas Instruments. In the event that a successor securities depository is not obtained, definitive QUIPS certificates representing such QUIPS are required to be printed and delivered. Texas Instruments, at its option, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). After a Debenture Event of Default, the holders of a majority in Liquidation Amount of QUIPS may determine to discontinue the system of book-entry transfers through DTC. In any such event, definitive certificates for the QUIPS will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and Texas Instruments believe to be accurate, but the Issuer and Texas Instruments assume no responsibility for the accuracy thereof. Neither the Issuer nor Texas Instruments has any responsibility for the performance by DTC or its Participants of their respective obligations as described herein or under the rules and procedures governing their respective operations.

TRANSFER AGENT, REGISTRAR AND PAYING, CONVERSION AND EXCHANGE AGENT

Unless otherwise specified in the applicable Prospectus Supplement, the Property Trustee will act as transfer agent, registrar and paying, conversion and exchange agent for the QUIPS.

Registration of transfers of QUIPS will be effected without charge by or on behalf of the Issuer, but upon payment of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. The Issuer will not be required to register or cause to be registered the transfer of their QUIPS after such QUIPS have been called for redemption.

INFORMATION CONCERNING THE PROPERTY TRUSTEE

The Property Trustee, other than during the occurrence and continuance of an Event of Default, undertakes to perform only such duties as are specifically set forth in the Trust Agreement and, after such Event of Default, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Property Trustee is under no obligation to exercise any of the powers vested in it by the Trust Agreement at the request of any holder of QUIPS unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby. If no Event of Default has occurred and is continuing and the Property Trustee is required to decide between alternative causes of action, construe ambiguous provisions in the Trust Agreement or is unsure of the application of any provision of the Trust Agreement, and the matter is not one on which holders of QUIPS are entitled under the Trust Agreement to vote, then the Property Trustee shall take such action as is directed by Texas Instruments and if not so directed, shall take such action as it deems advisable and in the best interests of the holders of the QUIPS and the Common Securities and will have no liability except for its own bad faith, negligence or willful misconduct.

MISCELLANEOUS

The Administrative Trustees are authorized and directed to conduct the affairs of and to operate the Issuer in such a way that the Issuer will not be deemed to be an "investment company" required to be registered under the Investment Company Act or classified as an association taxable as a corporation for United States federal income tax purposes and so that the Corresponding QUIPS will be treated as indebtedness of Texas Instruments for United States federal income tax purposes. In this connection, Texas

Instruments and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust of the Issuer or the Trust Agreement, that Texas Instruments and the Administrative Trustees determine in their discretion to be necessary or desirable for such purposes, as long as such action does not materially adversely affect the interests of the holders of the related QUIPS.

Holders of the QUIPS have no preemptive or similar rights.

The Issuer may not borrow money or issue debt or mortgage or pledge any of its assets.

DESCRIPTION OF GUARANTEE

The Guarantee will be executed and delivered by Texas Instruments concurrently with the issuance by the Issuer of its QUIPS for the benefit of the holders from time to time of such QUIPS. FNBC will act as indenture trustee ("Guarantee Trustee") under the Guarantee for the purposes of compliance with the Trust Indenture Act and the Guarantee will be qualified as an Indenture under the Trust Indenture Act. This summary of certain provisions of the Guarantee does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Guarantee, including the definitions therein of certain terms, and the Trust Indenture Act. The form of the Guarantee has been filed as an exhibit to the Registration Statement of which this Prospectus forms a part. Reference in this summary to QUIPS means the QUIPS to which a Guarantee relates. The Guarantee Trustee will hold the Guarantee for the benefit of the holders of the QUIPS.

GENERAL

Texas Instruments will irrevocably agree to pay in full on a subordinated basis, to the extent set forth herein, the Guarantee Payments (as defined below) to the holders of the QUIPS, as and when due, regardless of any defense, right of set-off or counterclaim that the Issuer may have or assert other than the defense of payment. The following payments with respect to the QUIPS, to the extent not paid by or on behalf of the Issuer (the "Guarantee Payments"), will be subject to the Guarantee: (i) any accumulated and unpaid Distributions required to be paid on such QUIPS, to the extent that the Issuer has funds on hand available therefor at such time, (ii) the Redemption Price with respect to any QUIPS called for redemption to the extent that the Issuer has funds on hand available therefor at such time, or (iii) upon a voluntary or involuntary dissolution, winding up or liquidation of the Issuer (unless the Corresponding QUIDS are distributed to holders of such QUIPS), the lesser of (a) the Liquidation Distribution and (b) the amount of assets of the Issuer remaining available for distribution to holders of QUIPS. Texas Instruments' obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by Texas Instruments to the holders of the applicable QUIPS or by causing the Issuer to pay such amounts to such holders.

The Guarantee will be an irrevocable guarantee on a subordinated basis of the Issuer's obligations under the QUIPS, but will apply only to the extent that the Issuer has funds sufficient to make such payments, and is not a guarantee of collection.

If Texas Instruments does not make interest payments on the Corresponding QUIDS held by the Issuer, the Issuer will not be able to pay Distributions on the QUIPS and will not have funds legally available therefor. The Guarantee will rank subordinate and junior in right of payment to all Senior Debt of Texas Instruments. See "-- Status of the Guarantee". Except as otherwise provided in the applicable Prospectus Supplement, the Guarantee does not limit the incurrence or issuance of other secured or unsecured debt of Texas Instruments, whether under the Indenture or any existing or other indenture that Texas Instruments may enter into in the future or otherwise.

Texas Instruments has, through the applicable Guarantee, the applicable Trust Agreement, the QUIDS, the Indenture and the Expense Agreement, taken together, fully, irrevocably and unconditionally guaranteed all of the Issuer's obligations under the QUIPS. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of these documents that has the effect of providing a full, irrevocable and unconditional guarantee of

the Issuer's obligations under the QUIPS. See "Relationship Among the QUIPS, the QUIDS and the Guarantee -- General".

STATUS OF THE GUARANTEE

The Guarantee will constitute an unsecured obligation of Texas Instruments and will rank subordinate and junior in right of payment to all Senior Debt.

The Guarantee will constitute a guarantee of payment and not of collection (i.e., the guaranteed party may institute a legal proceeding directly against the Guarantor to enforce its rights under the Guarantee without first instituting a legal proceeding against any other person or entity). The Guarantee will be held for the benefit of the holders of the related QUIPS. The Guarantee will not be discharged except by payment of the Guarantee Payments in full to the extent not paid by the Issuer or upon distribution to the holders of the QUIPS of the Corresponding QUIDS. The Guarantee does not place a limitation on the amount of additional Senior Debt that may be incurred by Texas Instruments. On May 13, 1996, Texas Instruments filed a universal shelf registration statement covering \$500,000,000 of debt securities, preferred stock, depository shares and Texas Instruments Common Stock.

AMENDMENTS AND ASSIGNMENT

Except with respect to any changes which do not materially adversely affect the rights of holders of the related QUIPS (in which case no vote will be required), the Guarantee may not be amended without the prior approval of the holders of not less than a majority in aggregate Liquidation Amount of such outstanding QUIPS. The manner of obtaining any such approval will be as set forth under "Description of the QUIPS -- Voting Rights; Amendment of The Trust Agreement". All guarantees and agreements contained in the Guarantee shall bind the successors, assigns, receivers, trustees and representatives of Texas Instruments and shall inure to the benefit of the holders of the related QUIPS then outstanding.

EVENTS OF DEFAULT

An event of default under the Guarantee will occur upon the failure of Texas Instruments to perform any of its payment or other obligations thereunder. The holders of not less than a majority in aggregate Liquidation Amount of the related QUIPS have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of the Guarantee or to direct the exercise of any trust or power conferred upon the Guarantee Trustee under the Guarantee.

Any holder of the QUIPS may institute a legal proceeding directly against Texas Instruments to enforce its rights under the Guarantee without first instituting a legal proceeding against the Issuer, the Guarantee Trustee or any other person or entity.

Texas Instruments, as guarantor, is required to file annually with the Guarantee Trustee a certificate as to whether or not Texas Instruments is in compliance with all the conditions and covenants applicable to it under the Guarantee.

INFORMATION CONCERNING THE GUARANTEE TRUSTEE

The Guarantee Trustee, other than during the occurrence and continuance of a default by Texas Instruments in performance of the Guarantee, undertakes to perform only such duties as are specifically set forth in the Guarantee and, after default with respect to the Guarantee, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Guarantee Trustee is under no obligation to exercise any of the powers vested in it by the Guarantee at the request of any holder of any QUIPS unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby.

TERMINATION OF THE GUARANTEE

The Guarantee will terminate and be of no further force and effect upon full payment of the Redemption Price of the related QUIPS, upon full payment of the amounts payable upon liquidation of the Issuer, upon the distribution, if any, of Texas Instruments Common Stock to the holders of QUIPS in respect of the conversion of all such holders' QUIPS into Texas Instruments Common Stock or upon distribution of Corresponding QUIDS to the holders of the related QUIPS. The Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of the related QUIPS must restore payment of any sums paid under such QUIPS or the Guarantee.

GOVERNING LAW

The Guarantee will be governed by and construed in accordance with the laws of the State of New York.

THE EXPENSE AGREEMENT

Pursuant to an Expense Agreement entered into by Texas Instruments under the Trust Agreement (the "Expense Agreement"), Texas Instruments will irrevocably and unconditionally guarantee to each person or entity to whom the Issuer becomes indebted or liable, the full payment of any costs, expenses or liabilities of the Issuer, other than obligations of the Issuer to pay to the holders of any QUIPS or other similar interests in the Issuer the amounts due such holders pursuant to the terms of the QUIPS or such other similar interests, as the case may be.

DESCRIPTION OF QUIDS

The QUIDS are to be issued in one or more series under a Junior Subordinated Indenture, as supplemented from time to time (as so supplemented, the "Indenture"), between Texas Instruments and FNBC, as trustee (the "Debenture Trustee"). This summary of certain terms and provisions of the QUIDS and the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Indenture, the form of which is filed as an exhibit to the Registration Statement of which this Prospectus forms a part, and to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). Whenever particular defined terms of the Indenture (as supplemented or amended from time to time) are referred to herein or in a Prospectus Supplement, such defined terms are incorporated herein or therein by reference.

GENERAL

Each series of QUIDS will rank pari passu with all other series of QUIDS, and will be unsecured and subordinate and junior in right of payment to the extent and in the manner set forth in the Indenture to all Senior Debt (as defined below) of Texas Instruments. See "-- Subordination". Except as otherwise provided in the applicable Prospectus Supplement, the Indenture does not limit the incurrence or issuance of other secured or unsecured debt of Texas Instruments, whether under the Indenture or any existing or other indenture that Texas Instruments may enter into in the future or otherwise. See "-- Subordination" and the Prospectus Supplement relating to any offering of Securities.

The QUIDS will be issuable in one or more series pursuant to an indenture supplemental to the Indenture or a resolution of Texas Instruments' board of directors or a committee thereof.

The applicable Prospectus Supplement or Prospectus Supplements will describe the following terms of the QUIDS: (1) the title of the QUIDS; (2) any limit upon the aggregate principal amount of the QUIDS; (3) the date or dates on which the principal of the QUIDS is payable or the method of determination thereof; (4) the rate or rates, if any, at which the QUIDS shall bear interest, the Interest Payment Dates on which any such interest shall be payable, the right, if any, of Texas Instruments to defer or extend an Interest Payment Date, and the Regular Record Date for any interest payable on any Interest Payment Date or the method by which any of the foregoing shall be determined; (5) the place or places where, subject to the terms of the Indenture as described below under "Payment and Paying Agents", the principal of and premium, if any, and

interest on the QUIDS will be payable and where, subject to the terms of the Indenture as described below under "Denominations, Registration and Transfer", the QUIDS may be presented for registration of transfer or exchange and the place or places where notices and demands to or upon Texas Instruments in respect of the QUIDS and the Indenture may be made ("Place of Payment"); (6) any period or periods within or date or dates on which, the price or prices at which and the terms and conditions upon which QUIDS may be redeemed, in whole or in part, at the option of Texas Instruments or a holder thereof; (7) the obligation or the right, if any, of Texas Instruments to redeem, purchase or repay the QUIDS and the period or periods within which, the price or prices at which, the currency or currencies (including currency unit or units) in which and the other terms and conditions upon which the QUIDS shall be redeemed, repaid or purchased, in whole or in part, pursuant to such obligation; (8) the denominations in which any QUIDS shall be issuable if other than denominations of \$50 and any integral multiple thereof; (9) if other than in U.S. Dollars, the currency or currencies (including currency unit or units) in which the principal of and premium, if any, and interest, if any, on the QUIDS shall be payable, or in which the QUIDS shall be denominated; (10) any additions, modifications or deletions in the Events of Default or covenants of Texas Instruments specified in the Indenture with respect to the QUIDS; (11) if other than the principal amount thereof, the portion of the principal amount of QUIDS that shall be payable upon declaration of acceleration of the maturity thereof; (12) any additions or changes to the Indenture with respect to a series of QUIDS as shall be necessary to permit or facilitate the issuance of such series in bearer form, registrable or not registrable as to principal, and with or without interest coupons; (13) any index or indices used to determine the amount of payments of principal of and premium, if any, on the QUIDS and the manner in which such amounts will be determined; (14) the terms and conditions relating to the issuance of a temporary Global Security representing all of the QUIDS of such series and the exchange of such temporary Global Security for definitive QUIDS of such series; (15) subject to the terms described under "Global QUIDS", whether the QUIDS of the series shall be issued in whole or in part in the form of one or more Global Securities and, in such case, the Depository for such Global Securities, which Depository shall be a clearing agency registered under the Exchange Act; (16) the appointment of any Paying Agent or Agents; (17) the terms and conditions of any obligation or right of Texas Instruments or a holder to convert or exchange the QUIDS into shares of Texas Instruments Common Stock, including the conversion price and the circumstances under which any such conversion right shall expire; and (18) any other terms of the QUIDS not inconsistent with the provisions of the Indenture.

QUIDS may be sold at a substantial discount below their stated principal amount, bearing no interest or interest at a rate which at the time of issuance is below market rates. Certain United States federal income tax consequences and special considerations applicable to any such QUIDS will be described in the applicable Prospectus Supplement.

If the purchase price of any of the QUIDS is payable in one or more foreign currencies or currency units or if any QUIDS are denominated in one or more foreign currencies or currency units or if the principal of, premium, if any, or interest, if any, on any QUIDS is payable in one or more foreign currencies or currency units, the restrictions, elections, certain United States federal income tax consequences, specific terms and other information with respect to such issue of QUIDS and such foreign currency or currency units will be set forth in the applicable Prospectus Supplement.

If any index is used to determine the amount of payments of principal of, premium, if any, or interest on any series of QUIDS, special United States federal income tax, accounting and other considerations applicable thereto will be described in the applicable Prospectus Supplement.

DENOMINATIONS, REGISTRATION AND TRANSFER

Unless otherwise specified in the applicable Prospectus Supplement, the QUIDS will be issuable only in registered form without coupons in denominations of \$50 and any integral multiple thereof. QUIDS of any series will be exchangeable for other QUIDS of the same issue and series, of any authorized denominations, of a like aggregate principal amount, of the same Original Issue Date and Stated Maturity and bearing the same interest rate.

QUIDS may be presented for exchange as provided above, and may be presented for registration of transfer (with the form of transfer endorsed thereon, or a satisfactory written instrument of transfer, duly executed), at the office of the appropriate Securities Registrar or at the office of any transfer agent designated by Texas Instruments for such purpose with respect to any series of QUIDS and referred to in the applicable Prospectus Supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Indenture. Texas Instruments will appoint the Debenture Trustee as Securities Registrar under the Indenture. If the applicable Prospectus Supplement refers to any transfer agents (in addition to the Securities Registrar) initially designated by Texas Instruments with respect to any series of QUIDS, Texas Instruments may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, provided that Texas Instruments maintains a transfer agent in each Place of Payment for such series. Texas Instruments may at any time designate additional transfer agents with respect to any series of QUIDS.

In the event of any redemption, neither Texas Instruments nor the Debenture Trustee shall be required to (i) issue, register the transfer of or exchange QUIDS of any series during a period beginning at the opening of business 15 days before the day of selection for redemption of QUIDS of that series and ending at the close of business on the day of mailing of the relevant notice of redemption or (ii) transfer or exchange any QUIDS so selected for redemption, except, in the case of any QUIDS being redeemed in part, any portion thereof not to be redeemed.

GLOBAL QUIDS

The QUIDS of a series may be issued in whole or in part in the form of one or more Global QUIDS that will be deposited with, or on behalf of, a depository (the "Depository") identified in the Prospectus Supplement relating to such series. Global QUIDS may be issued only in fully registered form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for the individual QUIDS represented thereby, a Global QUIDS may not be transferred except as a whole by the Depository for such Global QUIDS to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by the Depository or any nominee to a successor Depository or any nominee of such successor.

The specific terms of the depository arrangement with respect to a series of QUIDS will be described in the Prospectus Supplement relating to such series. Texas Instruments anticipates that the following provisions will generally apply to depository arrangements.

Upon the issuance of a Global QUIDS and the deposit of such Global QUIDS with or on behalf of the Depository, the Depository for such Global QUIDS or its nominee will credit on its book-entry registration and transfer system the respective principal amounts of the individual QUIDS represented by such Global QUIDS to the accounts of persons that have accounts with such Depository ("Participants"). Such accounts shall be designated by the dealers, underwriters or agents with respect to such QUIDS or by Texas Instruments if such QUIDS are offered and sold directly by Texas Instruments. Ownership of beneficial interests in a Global QUIDS will be limited to Participants or persons that may hold interests through Participants. Ownership of beneficial interests in such Global QUIDS will be shown on, and the transfer of that ownership will be effected only through, records maintained by the applicable Depository or its nominee (with respect to interests of Participants) and the records of Participants (with respect to interests of persons who hold through Participants). The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global QUIDS.

So long as the Depository for a Global QUIDS, or its nominee, is the registered owner of such Global QUIDS, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the QUIDS represented by such Global QUIDS for all purposes under the Indenture governing such QUIDS. Except as provided below, owners of beneficial interests in a Global QUIDS will not be entitled to have any of the individual QUIDS of the series represented by such Global QUIDS registered in their names, will not

receive or be entitled to receive physical delivery of any such QUIDS of such series in definitive form and will not be considered the owners or holders thereof under the Indenture.

Payments of principal of and premium, if any, and interest on individual QUIDS represented by a Global QUIDS registered in the name of a Depository or its nominee will be made to the Depository or its nominee, as the case may be, as the registered owner of the Global QUIDS representing such QUIDS. None of Texas Instruments, the Debenture Trustee, any Paying Agent or the Securities Registrar for such QUIDS will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the Global QUIDS representing such QUIDS or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Texas Instruments expects that the Depository for a series of QUIDS or its nominee, upon receipt of any payment of principal, premium, if any, or interest in respect of a permanent Global QUIDS representing any of such QUIDS, immediately will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interest in the principal amount of such Global QUIDS representing such QUIDS as shown on the records of such Depository or its nominee. Texas Instruments also expects that payments by Participants to owners of beneficial interests in such Global QUIDS held through such Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name". Such payments will be the responsibility of such Participants.

Unless otherwise specified in the applicable Prospectus Supplement, if a Depository for a series of QUIDS is at any time unwilling, unable or ineligible to continue as depository and a successor depository is not appointed by Texas Instruments within 90 days, Texas Instruments will issue individual QUIDS of such series in exchange for the Global QUIDS representing such series of QUIDS. In addition, Texas Instruments may at any time and in its sole discretion, subject to any limitations described in the Prospectus Supplement relating to such QUIDS, determine not to have any QUIDS of such series represented by one or more Global QUIDS and, in such event, will issue individual QUIDS of such series in exchange for the Global QUIDS representing such series of QUIDS. Further, if Texas Instruments so specifies with respect to the QUIDS of a series, an owner of a beneficial interest in a Global QUIDS representing QUIDS of such series may, on terms acceptable to Texas Instruments, the Debenture Trustee and the Depository for such Global QUIDS, receive individual QUIDS of such series in exchange for such beneficial interests, subject to any limitations described in the Prospectus Supplement relating to such QUIDS. In any such instance, an owner of a beneficial interest in a Global QUIDS will be entitled to physical delivery of individual QUIDS of the series represented by such Global QUIDS equal in principal amount to such beneficial interest and to have such QUIDS registered in its name. Individual QUIDS of such series so issued will be issued in denominations, unless otherwise specified by Texas Instruments, of \$50 and integral multiples thereof.

PAYMENT AND PAYING AGENTS

Unless otherwise indicated in the applicable Prospectus Supplement, payment of principal of and premium, if any, and any interest on QUIDS will be made at the office of the Debenture Trustee in the City of New York or at the office of such Paying Agent or Paying Agents as Texas Instruments may designate from time to time in the applicable Prospectus Supplement, except that at the option of Texas Instruments payment of any interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Securities Register or (ii) by transfer to an account maintained by the Person entitled thereto as specified in the Securities Register, provided that proper transfer instructions have been received by the Regular Record Date. Unless otherwise indicated in the applicable Prospectus Supplement, payment of any interest on QUIDS will be made to the Person in whose name such QUIDS is registered at the close of business on the Regular Record Date for such interest, except in the case of Defaulted Interest. Texas Instruments may at any time designate additional Paying Agents or rescind the designation of any Paying Agent; however, Texas Instruments will at all times be required to maintain a Paying Agent in each Place of Payment for each series of QUIDS.

Any monies deposited with the Debenture Trustee or any Paying Agent, or then held by Texas Instruments in trust, for the payment of the principal of and premium, if any, or interest on any QUIDS and remaining unclaimed for two years after such principal and premium, if any, or interest has become due and payable shall, at the request of Texas Instruments, be repaid to Texas Instruments and the holder of such QUIDS shall thereafter look, as a general unsecured creditor, only to Texas Instruments for payment thereof.

REDEMPTION

Unless otherwise indicated in the applicable Prospectus Supplement, QUIDS will not be subject to any sinking fund.

Unless otherwise indicated in the applicable Prospectus Supplement, Texas Instruments may, at its option, redeem the QUIDS of any series in whole at any time or in part from time to time. QUIDS in denominations larger than \$50 may be redeemed in part but only in integral multiples of \$50. Except as otherwise specified in the applicable Prospectus Supplement, the redemption price for any QUIDS so redeemed shall equal any accrued and unpaid interest thereon to the Redemption Date, plus the principal amount thereof.

Except as otherwise specified in the applicable Prospectus Supplement, if a Debenture Tax Event (as defined below) in respect of a series of QUIDS shall occur and be continuing, Texas Instruments may, at its option, redeem such series of QUIDS in whole (but not in part) at any time within 90 days of the occurrence of such Debenture Tax Event, at a redemption price equal to 100% of the principal amount of such QUIDS then outstanding plus accrued and unpaid interest to the date fixed for redemption.

"Debenture Tax Event" means the receipt by Texas Instruments of an opinion of counsel, rendered by a law firm having a recognized national tax and securities practice, to the effect that, as a result of any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which pronouncement or decision is announced on or after the date of issuance of the applicable series of QUIDS under the Indenture, there is more than an insubstantial risk that interest payable by Texas Instruments on such series of QUIDS is not, or within 90 days of the date of such opinion, will not be, deductible by Texas Instruments, in whole or in part, for United States federal income tax purposes.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder of QUIDS to be redeemed at its registered address. Unless Texas Instruments defaults in payment of the redemption price, on and after the Redemption Date interest ceases to accrue on such QUIDS or portions thereof called for redemption.

OPTION TO EXTEND INTEREST PAYMENT DATE

If provided in the applicable Prospectus Supplement, Texas Instruments shall have the right at any time and from time to time during the term of any series of QUIDS to defer payment of interest for such number of consecutive interest payment periods as may be specified in the applicable Prospectus Supplement (each, an "Extension Period"), subject to the terms, conditions and covenants, if any, specified in such Prospectus Supplement, provided that such Extension Period may not extend beyond the Stated Maturity of such series of QUIDS. Certain United States federal income tax consequences and special considerations applicable to any such QUIDS will be described in the applicable Prospectus Supplement.

During such Extension Period Texas Instruments may not, and may not permit any subsidiary of Texas Instruments to, (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of Texas Instruments' capital stock or (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of Texas Instruments that rank pari passu with or junior in interest to the QUIDS or make any guarantee payments with respect to any guarantee by Texas Instruments of the debt securities of any subsidiary of Texas

Instruments if such guarantee ranks pari passu with or junior in interest to the QUIDS (other than (a) dividends or distributions in Common Stock of Texas Instruments, (b) redemptions or purchases of any rights pursuant to Texas Instruments' Shareholders Rights Plan, or any successor to such Shareholders Rights Plan, and the declaration of a dividend of such rights or the issuance of Preferred Stock under such plans in the future, (c) payments under the Guarantee, (d) purchases of Common Stock related to the issuance of Common Stock under any of Texas Instruments' benefit plans for its directors, officers or employees and (e) purchases of Common Stock required to prevent the loss or secure the renewal or reinstatement of any government license or franchise held by Texas Instruments or any of its subsidiaries).

MODIFICATION OF INDENTURE

From time to time, Texas Instruments and the Debenture Trustee may, without the consent of the holders of any series of QUIDS, amend, waive or supplement the Indenture for specified purposes, including, among other things, curing ambiguities, defects or inconsistencies (provided that any such action does not materially adversely affect the interest of the holders of any series of QUIDS or, in the case of Corresponding QUIDS, the holders of the corresponding series of QUIPS so long as they remain outstanding) and qualifying, or maintaining the qualification of, the Indenture under the Trust Indenture Act. The Indenture contains provisions permitting Texas Instruments and the Debenture Trustee, with the consent of the holders of not less than a majority in principal amount of each outstanding series of QUIDS affected, to modify the Indenture in a manner affecting the rights of the holders of such series of the QUIDS; provided that no such modification may, without the consent of the holder of each outstanding QUIDS so affected, (i) change the Stated Maturity of any series of QUIDS, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon or impair any right to institute suit for the conversion of any QUIDS, or adversely affect any right to convert any QUIDS (except such change or extension as is contemplated hereby) or (ii) reduce the percentage of principal amount of QUIDS of any series, the holders of which are required to consent to any such modification of the Indenture, provided that, in the case of Corresponding QUIDS, so long as any of the related series of QUIPS remain outstanding, no such modification may be made that adversely affects the holders of such QUIPS in any material respect, and no termination of the Indenture may occur, and no waiver of any Debenture Event of Default or compliance with any covenant under the Indenture may be effective, without the prior consent of the holders of at least a majority in aggregate Liquidation Amount of such QUIPS unless and until the principal of the Corresponding QUIDS and all accrued and unpaid interest thereon have been paid in full and certain other conditions are satisfied. In addition, Texas Instruments and the Debenture Trustee may execute, without the consent of any holder of QUIDS, any supplemental Indenture for the purpose of creating any new series of QUIDS.

DEBENTURE EVENTS OF DEFAULT

The Indenture provides that any one or more of the following described events with respect to a series of QUIDS that has occurred and is continuing constitutes a "Debenture Event of Default" with respect to such series of QUIDS:

(i) failure for 30 days to pay any interest on such series of the QUIDS, when due (subject to the deferral of any due date in the case of an Extension Period); or

(ii) failure to pay any principal or premium, if any, on such series of QUIDS when due whether at maturity, upon redemption by declaration or otherwise; or

(iii) if applicable, failure by Texas Instruments to deliver shares of Texas Instruments Common Stock upon an appropriate election by holders of QUIDS to convert such QUIDS; or

(iv) failure to observe or perform in any material respect certain other covenants contained in the Indenture for 90 days after written notice to Texas Instruments from the Debenture Trustee or the holders of at least 25% in aggregate outstanding principal amount of such series of outstanding QUIDS; or

(v) certain events in bankruptcy, insolvency or reorganization of Texas Instruments.

The holders of a majority in aggregate outstanding principal amount of such series of QUIDS have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee. The Debenture Trustee or the holders of not less than 25% in aggregate outstanding principal amount of such series of QUIDS may declare the principal due and payable immediately upon a Debenture Event of Default, and, in the case of Corresponding QUIDS, should the Debenture Trustee or such holders of such Corresponding QUIDS fail to make such declaration, the holders of at least 25% in aggregate Liquidation Amount of the related series of QUIPS shall have such right. The holders of a majority in aggregate outstanding principal amount of such series of QUIDS may annul such declaration and waive the default if the default (other than the non-payment of the principal of such series of QUIDS which has become due solely by such acceleration) has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Debenture Trustee and, in the case of Corresponding QUIDS, should the holders of such Corresponding QUIDS fail to annul such declaration and waive such default, the holders of a majority in aggregate Liquidation Amount of the related series of QUIPS shall have such right.

The holders of a majority in aggregate outstanding principal amount of the QUIDS affected thereby may, on behalf of the holders of all the QUIDS, waive any past default, except a default in the payment of principal or interest (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Debenture Trustee) or a default in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding QUIDS and, in the case of Corresponding QUIDS, should the holders of such Corresponding QUIDS fail to annul such declaration and waive such default, the holders of a majority in aggregate Liquidation Amount of the related series of QUIPS shall have such right. Texas Instruments is required to file annually with the Debenture Trustee a certificate as to whether or not Texas Instruments is in compliance with all the conditions and covenants applicable to it under the Indenture.

In case a Debenture Event of Default shall occur and be continuing as to a series of Corresponding QUIDS, the Property Trustee will have the right to declare the principal of and the interest on such Corresponding QUIDS and any other amounts payable under the Indenture, to be forthwith due and payable and to enforce its other rights as a creditor with respect to such Corresponding QUIDS.

ENFORCEMENT OF CERTAIN RIGHTS BY HOLDERS OF QUIPS

If a Debenture Event of Default has occurred and is continuing and such event is attributable to the failure of Texas Instruments to pay interest or principal on the Corresponding QUIDS on the date such interest or principal is otherwise payable, a holder of QUIPS may institute a Direct Action (as defined herein under "Description of QUIPS -- Enforcement of Certain Rights by Holders of QUIPS") for payment after the respective due date specified in the Corresponding QUIDS. Texas Instruments may not amend the Indenture to remove the foregoing right to bring a Direct Action without the prior written consent of the holders of all of the QUIPS. Notwithstanding any payment made to such holder of QUIPS by Texas Instruments in connection with a Direct Action, Texas Instruments shall remain obligated to pay the principal of or interest on the Corresponding QUIDS held by the Issuer or the Property Trustee and Texas Instruments shall be subrogated to the rights of the holder of such QUIPS with respect to payments on the QUIPS to the extent of any payments made by Texas Instruments to such holder in any Direct Action. The holders of QUIPS will not be able to exercise directly any other remedy available to the holders of the Corresponding QUIDS.

The holders of the QUIPS would not be able to exercise any remedies available to the holders of the QUIDS other than those set forth in the preceding paragraph unless the Property Trustee or the Debenture Trustee, acting for the benefit of the Property Trustee, fails to do so for 60 days. In such event, the holders of at least 25% in aggregate Liquidation Amount of the outstanding QUIPS would have such right to institute proceedings.

CONSOLIDATION, MERGER, SALE OF ASSETS AND OTHER TRANSACTIONS

The Indenture provides that Texas Instruments shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially or as an entirety to any Person, and no Person shall consolidate with or merge into Texas Instruments or convey, transfer or lease its properties and assets substantially or as an entirety to Texas Instruments, unless (i) in case Texas Instruments consolidates with or merges into another Person or conveys, transfers or leases its properties and assets substantially as an entirety to any Person, the successor Person is organized under the laws of the United States or any state or the District of Columbia, and such successor Person expressly assumes Texas Instruments' obligations on the QUIDS issued under the Indenture; (ii) immediately after giving effect thereto, no Debenture Event of Default, and no event which, after notice or lapse of time or both, would become a Debenture Event of Default, shall have happened and be continuing; (iii) in the case of Corresponding QUIDS, such transaction is permitted under the Trust Agreement or Guarantee and does not give rise to any breach or violation of the Trust Agreement and Guarantee; and (iv) certain other conditions as prescribed in the Indenture are met.

The general provisions of the Indenture do not afford holders of the QUIDS protection in the event of a highly leveraged or other transaction involving Texas Instruments that may adversely affect holders of the QUIDS.

SATISFACTION AND DISCHARGE

The Indenture provides that when, among other things, all QUIDS not previously delivered to the Debenture Trustee for cancellation (i) have become due and payable or (ii) will become due and payable at their Stated Maturity within one year, and Texas Instruments deposits or causes to be deposited with the Debenture Trustee trust funds, in trust, for the purpose and in an amount in the currency or currencies in which the QUIDS are payable sufficient to pay and discharge the entire indebtedness on the QUIDS not previously delivered to the Debenture Trustee for cancellation, for the principal and premium, if any, and interest to the date of the deposit or to the Stated Maturity, as the case may be, then the Indenture will cease to be of further effect (except as to Texas Instruments' obligations to pay all other sums due pursuant to the Indenture and to provide the officers' certificates and opinions of counsel described therein), and Texas Instruments will be deemed to have satisfied and discharged the Indenture.

SUBORDINATION

In the Indenture, Texas Instruments has covenanted and agreed that any QUIDS issued thereunder will be subordinate and junior in right of payment to all Senior Debt to the extent provided in the Indenture. Upon any payment or distribution of assets to creditors upon any liquidation, dissolution, winding-up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, debt restructuring or similar proceedings in connection with any insolvency or bankruptcy proceeding of Texas Instruments, the holders of Senior Debt will first be entitled to receive payment in full of principal of and premium, if any, and interest, if any, on such Senior Debt before the holders of QUIDS or, in the case of Corresponding QUIDS, the Property Trustee on behalf of the holders, will be entitled to receive or retain any payment in respect of the principal of and premium, if any, or interest, if any, on the QUIDS.

In the event of the acceleration of the maturity of any QUIDS, the holders of all Senior Debt outstanding at the time of such acceleration will first be entitled to receive payment in full of all amounts due thereon (including any amounts due upon acceleration) before the holders of QUIDS will be entitled to receive or retain any payment in respect of the principal of or premium, if any, or interest, if any, on the QUIDS.

No payments on account of principal (or premium, if any) or interest, if any, in respect of the QUIDS may be made if there shall have occurred and be continuing a default in any payment with respect to Senior Debt, or an event of default with respect to any Senior Debt resulting in the acceleration of the maturity thereof, or if any judicial proceeding shall be pending with respect to any such default.

"Debt" means with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent, (i) every obligation of such Person for money borrowed; (ii) every

obligation of such Person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses; (iii) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person; (iv) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business); (v) every capital lease obligation of such Person; and (vi) every guarantee of or responsibility or liability for, direct or indirect, as obligor or otherwise of (a) any obligation of the types referred to in clauses (i) through (v) of another Person or (b) the payment of any dividends of another Person.

"Senior Debt" means the principal of (and premium, if any) and interest, if any (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to Texas Instruments whether or not such claim for post-petition interest is allowed in such proceeding), on Debt, whether incurred on or prior to the date of the Indenture or thereafter incurred, unless, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are not superior in right of payment to the QUIDS or to other Debt which is pari passu with, or subordinated to, the QUIDS; provided, however, that Senior Debt shall not be deemed to include:

(i) any Debt of Texas Instruments which when incurred and without respect to any election under Section 1111 (b) of the Bankruptcy Code, was without recourse to Texas Instruments,

(ii) any Debt of Texas Instruments to any of its subsidiaries,

(iii) Debt to any employee of Texas Instruments,

(iv) any liability for taxes, and

(v) indebtedness or monetary obligations to trade creditors or assumed by Texas Instruments or any of its subsidiaries in the ordinary course of business in connection with the obtaining of materials or services.

Senior Debt includes the 2 3/4% Convertible Subordinated Debentures due 2002 of Texas Instruments.

The Indenture places no limitation on the amount of additional Senior Debt that may be incurred by Texas Instruments.

The Indenture provides that the foregoing subordination provisions, insofar as they relate to any particular issue of QUIDS, may be changed prior to such issuance. Any such change would be described in the applicable Prospectus Supplement.

GOVERNING LAW

The Indenture and the QUIDS will be governed by and construed in accordance with the laws of the State of New York.

INFORMATION CONCERNING THE DEBENTURE TRUSTEE

The Debenture Trustee shall have and be subject to all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to such provisions, the Debenture Trustee is under no obligation to exercise any of the powers vested in it by the Indenture at the request of any holder of QUIDS, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. The Debenture Trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in the performance of its duties if the Debenture Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

DESCRIPTION OF CORRESPONDING QUIDS

The Corresponding QUIDS are to be issued in one or more series under the Indenture with terms corresponding to the terms of the related QUIPS. See "Description of QUIDS". This summary of certain terms and provisions of, or relating to, Corresponding QUIDS and the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Indenture, the form of which is filed as an exhibit to the Registration Statement of which this Prospectus forms a part, and to the Trust Indenture Act. Whenever particular defined terms of the Indenture (as supplemented or amended from time to time) are referred to herein or in a Prospectus Supplement, such defined terms are incorporated herein or therein by reference.

GENERAL

Concurrently with the issuance of the QUIPS, the Issuer will invest the proceeds thereof and the consideration paid by Texas Instruments for the Common Securities in a series of Corresponding QUIDS issued by Texas Instruments to the Issuer. Each series of Corresponding QUIDS will be in the principal amount equal to the aggregate stated Liquidation Amount of the related QUIPS plus Texas Instruments' concurrent investment in the Common Securities and will rank *pari passu* with all other series of QUIDS. The Corresponding QUIDS will be unsecured and subordinate and junior in right of payment to the extent and in the manner set forth in the Indenture to all Senior Debt of Texas Instruments. See "Description of QUIDS -- Subordination" and the Prospectus Supplement relating to any offering of related QUIPS.

OPTIONAL REDEMPTION

Unless otherwise specified in the applicable Prospectus Supplement, Texas Instruments may, at its option, redeem the Corresponding QUIDS of any series in whole at any time or in part from time to time. Except as otherwise set forth in the applicable Prospectus Supplement, the redemption price for any Corresponding QUIDS so redeemed shall be equal to any accrued and unpaid interest thereon to the date fixed for redemption, plus the principal amount thereof. See "Description of QUIDS -- Redemption".

If a Special Event in respect of an Issuer shall occur and be continuing, Texas Instruments may, at its option, redeem the Corresponding QUIDS at any time within 90 days of the occurrence of such Special Event, in whole but not in part, subject to the provisions of the Indenture. The redemption price for any Corresponding QUIDS shall be equal to 100% of the principal amount of such Corresponding QUIDS then outstanding plus accrued and unpaid interest to the date fixed for redemption.

For so long as the Issuer is the holder of all the outstanding series of Corresponding QUIDS, the proceeds of any such redemption will be used by the Issuer to redeem the corresponding QUIPS in accordance with their terms. Texas Instruments may not redeem a series of Corresponding QUIDS in part unless all accrued and unpaid interest has been paid in full on all outstanding Corresponding QUIDS of such series for all interest periods terminating on or prior to the Redemption Date.

CERTAIN COVENANTS OF TEXAS INSTRUMENTS

Texas Instruments will covenant in the Guarantee as to each series of Corresponding QUIDS that if and so long as (i) the Issuer is the holder of all such Corresponding QUIDS, (ii) a Tax Event in respect of the Issuer has occurred and is continuing and (iii) Texas Instruments has elected, and has not revoked such election, to pay Additional Sums in respect of such QUIPS and Common Securities, Texas Instruments will pay to the Issuer such Additional Sums. Texas Instruments will also covenant, as to each series of Corresponding QUIDS, that it will not, and will not permit any subsidiary of Texas Instruments to, (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of Texas Instruments' capital stock or (ii) make any payment of principal, interest or premium, if any, on or repay or repurchase or redeem any debt securities (including other Corresponding QUIDS) that rank *pari passu* with or junior in interest to the Corresponding QUIDS or make any guarantee payments with respect to the foregoing (other than (a) dividends or distributions in Common Stock of Texas Instruments, (b) redemptions or purchases of any rights pursuant to Shareholders Rights Plan, or any successor to such

Shareholders Rights Plan, and the declaration of a dividend of such rights or the issuance of Preferred Stock under such plans in the future, (c) payments under the Guarantee, (d) purchases of Common Stock related to the issuance of Common Stock under any of Texas Instruments' benefit plans for its directors, officers or employees and (e) purchases of Common Stock required to prevent the loss or secure the renewal or reinstatement of any government license or franchise held by Texas Instruments or any of its subsidiaries) if at such time (i) there shall have occurred any event of which Texas Instruments has actual knowledge that (a) with the giving of notice or the lapse of time, or both, would constitute an "Event of Default" under the Indenture with respect to Corresponding QUIDS of such series and (b) in respect of which Texas Instruments shall not have taken reasonable steps to cure, (ii) Texas Instruments shall be in default with respect to its payment of any obligations under the Guarantee or (iii) Texas Instruments shall have given notice of its selection of an Extension Period as provided in the Indenture with respect to Corresponding QUIDS of such series and shall not have rescinded such notice, or such Extension Period, or any extension thereof, shall be continuing. Texas Instruments will also covenant, as to each series of Corresponding QUIDS, (i) to maintain directly or indirectly 100% ownership of the Common Securities, provided that certain successors which are permitted pursuant to the Indenture may succeed to Texas Instruments' ownership of the Common Securities, (ii) not to voluntarily terminate, wind-up or liquidate the Issuer, except (a) in connection with a distribution of Corresponding QUIDS to the holders of the QUIPS in liquidation of the Issuer or (b) in connection with certain mergers, consolidations or amalgamations permitted by the Trust Agreement, (iii) if applicable, to maintain the reservation for issuance of the number of shares of Texas Instruments Common Stock that would be required from time to time upon the conversion of all the QUIDS then outstanding, (iv) to use its reasonable efforts, consistent with the terms and provisions of the Trust Agreement, to cause the Issuer to remain classified as a grantor trust and not as an association taxable as a corporation for United States federal income tax purposes and (v) if so provided in the Prospectus Supplement relating to the particular series of QUIPS being offered thereby, to deliver shares of Texas Instruments Common Stock upon an election by the holders of such QUIPS to convert such series of QUIDS.

As part of the Guarantee, if applicable, Texas Instruments will agree that it will honor all obligations described therein relating to the conversion or exchange of the QUIPS into or for Texas Instruments Common Stock or QUIDS.

RELATIONSHIP AMONG THE QUIPS, THE CORRESPONDING QUIDS
AND THE GUARANTEE

FULL AND UNCONDITIONAL GUARANTEE

Payments of Distributions and other amounts due on the QUIPS (to the extent the Issuer has funds available for the payment of such Distributions) are irrevocably guaranteed by Texas Instruments as and to the extent set forth under "Description of Guarantee". Taken together, Texas Instruments' obligations under each series of QUIDS, the Indenture, the Trust Agreement, the Expense Agreement and the Guarantee provide, in the aggregate, a full, irrevocable and unconditional guarantee of payments of Distributions and other amounts due on the related series of QUIPS. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of these documents that has the effect of providing a full, irrevocable and unconditional guarantee of the Issuer's obligations under the QUIPS. If and to the extent that Texas Instruments does not make payments on any series of Corresponding QUIDS, the Issuer will not pay Distributions or other amounts due on related QUIPS. The Guarantee does not cover payment of Distributions when the Issuer does not have sufficient funds to pay such Distributions. In such event, a holder of a series of QUIPS may institute a legal proceeding directly against Texas Instruments to enforce payment of such Distributions to such holder after the respective due dates. The obligations of Texas Instruments under the Guarantee are subordinate and junior in right of payment to all Senior Debt of Texas Instruments.

SUFFICIENCY OF PAYMENTS

As long as payments of interest and other payments are made when due on each series of Corresponding QUIDS, such payments will be sufficient to cover Distributions and other payments due on the related QUIPS, primarily because (i) the aggregate principal amount of each series of Corresponding QUIDS will be equal to the sum of the aggregate stated Liquidation Amount of the related QUIPS and related Common Securities; (ii) the interest rate and interest and other payment dates on each series of Corresponding QUIDS will match the Distribution rate and Distribution and other payment dates for the related QUIPS; (iii) Texas Instruments shall pay for all and any costs, expenses and liabilities of the Issuer except the Issuer's obligations to holders of its QUIPS under such QUIPS; and (iv) the Trust Agreement further provides that the Issuer will not engage in any activity that is not consistent with the limited purposes of the Issuer.

Notwithstanding anything to the contrary in the Indenture, Texas Instruments has the right to set-off any payment it is otherwise required to make thereunder with and to the extent Texas Instruments has theretofore made, or is concurrently on the date of such payment making, a payment under the Guarantee.

ENFORCEMENT RIGHTS OF HOLDERS OF QUIPS

A holder of any related QUIPS may institute a legal proceeding directly against Texas Instruments to enforce its rights under the Guarantee without first instituting a legal proceeding against the Guarantee Trustee, the Issuer or any other person or entity.

A default or event of default under any Senior Debt of Texas Instruments will not constitute a default or Event of Default under the Indenture. However, in the event of payment defaults under, or acceleration of, Senior Debt of Texas Instruments, the subordination provisions of the Indenture provide that no Payments may be made in respect of the Corresponding QUIDS until such Senior Debt has been paid in full or any payment default thereunder has been cured or waived. Failure to make required payments on any series of Corresponding QUIDS would constitute an Event of Default under the Indenture.

LIMITED PURPOSE OF ISSUER

The QUIPS evidence a beneficial interest in the Issuer, and the Issuer exists for the sole purpose of issuing its QUIPS and Common Securities and investing the proceeds thereof in Corresponding QUIDS. A principal difference between the rights of a holder of a QUIPS and a holder of a Corresponding QUIDS is that a holder of a Corresponding QUIDS is entitled to receive from Texas Instruments the principal amount of and interest accrued on Corresponding QUIDS held, while a holder of QUIPS is entitled to receive Distributions from the Issuer (or from Texas Instruments under the applicable Guarantee) if and to the extent the Issuer has funds available for the payment of such Distributions.

RIGHTS UPON TERMINATION

Upon any voluntary or involuntary termination, winding-up or liquidation of the Issuer involving the liquidation of the Corresponding QUIDS, the holders of the related QUIPS will be entitled to receive, out of assets held by the Issuer, the Liquidation Distribution in cash. See "Description of QUIPS -- Liquidation Distribution Upon Termination". Upon any voluntary or involuntary liquidation or bankruptcy of Texas Instruments, the Property Trustee, as holder of the Corresponding QUIDS, would be a subordinated creditor of Texas Instruments, subordinated in right of payment to all Senior Debt, but entitled to receive payment in full of principal and interest before any stockholders of Texas Instruments receive payments or distributions. Since Texas Instruments is the guarantor under the Guarantee and has agreed to pay for all costs, expenses and liabilities of the Issuer (other than the Issuer's obligations to the holders of its QUIPS), the positions of a holder of such QUIPS and a holder of such Corresponding QUIDS relative to other creditors and to stockholders of Texas Instruments in the event of liquidation or bankruptcy of Texas Instruments would be substantially the same.

DESCRIPTION OF TEXAS INSTRUMENTS CAPITAL STOCK

GENERAL

The authorized capital stock of Texas Instruments consists of 500,000,000 shares of Texas Instruments Common Stock and 10,000,000 shares of Preferred Stock, par value \$25.00 per share (the "Preferred Stock"). As of March 31, 1996, there were issued 189,626,360 shares of Texas Instruments Common Stock, of which 140,725 were treasury shares and 189,485,635 were outstanding, and Texas Instruments had no Preferred Stock issued or outstanding.

The following summary of the terms of Texas Instruments' capital stock does not purport to be complete and is qualified in its entirety by reference to the applicable provisions of Delaware law and Texas Instruments' Restated Certificate of Incorporation, as amended (the "Charter").

TEXAS INSTRUMENTS COMMON STOCK

The holders of shares of Texas Instruments Common Stock, subject to the preferential rights of the holders of any shares of Preferred Stock of Texas Instruments, are entitled to dividends when and as declared by the Board of Directors. The holders of the Texas Instruments Common Stock have one vote per share on all matters submitted to a vote of the shareholders, and the right to the net assets of Texas Instruments in liquidation after payment of any amounts due to creditors and in respect of any Preferred Stock of Texas Instruments. Holders of shares of Texas Instruments Common Stock are not entitled as a matter of right to any preemptive or subscription rights and are not entitled to cumulative voting for directors. All outstanding shares of Texas Instruments Common Stock are, and the shares of Texas Instruments Common Stock issued hereunder upon any conversion of QUIDS will be, fully paid and nonassessable.

The By-Laws of Texas Instruments provide that the annual meeting of shareholders shall be held on such day in the month of April of each year as is designated by the Board of Directors and as stated in a written notice, which notice is mailed or delivered to each shareholder at least 10 days prior to any shareholder meeting.

Texas Instruments is authorized to issue additional shares of common stock without further stockholder approval (except as may be required by applicable law or stock exchange regulations).

The Transfer Agent and Registrar for Texas Instruments Common Stock is Harris Trust and Savings Bank, 311 West Monroe Street, Chicago, Illinois 60690.

PREFERRED STOCK

Under the Charter, Texas Instruments is authorized to issue up to 10,000,000 shares of Preferred Stock, in one or more series, with such designations and such relative voting, dividend, liquidation, conversion and other rights, preferences and limitations as are stated in the Charter or any Certificate of Designation establishing such series adopted by the Board of Directors of Texas Instruments. The 10,000,000 authorized but unissued shares of Preferred Stock may be issued pursuant to resolution of the Board of Directors without the vote of the holders of any capital stock of Texas Instruments.

Shares of Preferred Stock of Texas Instruments may be issued in one or more series and the shares of all series will rank pari passu and be identical in all respects, except that with respect to each series the Board of Directors may fix, among other things: the rate of dividends payable thereon; the time and prices of redemption; the amount payable upon voluntary liquidation; the retirement or sinking fund, if any; the conversion rights, if any; the voting rights, if any, in addition to the voting right described below; the restrictions, if any, upon creation of indebtedness of Texas Instruments, or any subsidiary thereof, or the issuance of stock ranking on a parity with or senior to the shares of Preferred Stock either as to dividends or upon liquidation; the restrictions, if any, on the payment of dividends upon, or on the acquisition of, the Texas Instruments Common Stock or upon any other class or classes of stock of Texas Instruments (other than Preferred Stock) ranking on a parity with or junior to the shares of Preferred Stock either as to dividends or upon liquidation; and the number of shares to comprise such series. Each series of Preferred Stock will be

entitled to receive an amount payable upon liquidation, dissolution or winding up, fixed for each series, plus all dividends accumulated to the date of final distribution, before any payment or distribution of assets of Texas Instruments is made on Texas Instruments Common Stock. Shares of Preferred Stock that have been issued and reacquired in any manner by Texas Instruments (including shares redeemed, shares purchased and retired and shares that have been converted into shares of another series or class) may be reissued as part of the same or another series of Preferred Stock.

SHAREHOLDERS RIGHTS PLAN

In June 1988, the Board of Directors of Texas Instruments adopted a Shareholders Rights Plan and declared a dividend distribution of one preferred share purchase right (a "Right") for each outstanding share of Texas Instruments Common Stock. As a result of a two-for-one stock split announced June 15, 1995, half a Right is attached to each outstanding share of Texas Instruments Common Stock. When exercisable, each Right entitles the registered holder to purchase from Texas Instruments a unit consisting of one one-hundredth of a share (a "Unit") of Participating Cumulative Preferred Stock, par value \$25.00 per share (the "Cumulative Preferred Stock"), at a purchase price (the "Purchase Price") of \$200 per Unit, subject to adjustment. The description and terms of the Rights are set forth in the Rights Agreement between Texas Instruments and Harris Trust and Savings Bank, as Rights Agent. The Rights Agreement contains provisions that could have the effect of delaying, deferring or preventing a merger, tender offer or other takeover attempt of Texas Instruments.

The Rights are attached to all outstanding shares of Texas Instruments Common Stock, and no separate Rights certificates will be distributed. The Rights will separate from the Texas Instruments Common Stock and a Distribution Date will occur upon the earlier of: (i) 10 days following the date (the "Stock Acquisition Date") of any public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired beneficial ownership of 20% or more of the outstanding shares of Texas Instruments Common Stock, or (ii) 10 business days following the commencement of a tender offer or exchange offer that would result in a person or group becoming an Acquiring Person. Until the Distribution Date (or earlier redemption or expiration of the Rights), (i) the Rights will be evidenced by the Texas Instruments Common Stock certificates and will be transferred with and only with such Texas Instruments Common Stock certificates, (ii) new Texas Instruments Common Stock certificates issued after June 30, 1988 will contain a notation incorporating the Rights Agreement by reference, and (iii) the surrender for transfer of any certificates for Texas Instruments Common Stock will also constitute the transfer of the Rights associated with the Texas Instruments Common Stock represented by such certificates.

The Rights are not exercisable until the Distribution Date and will expire at the close of business on June 17, 1998 unless previously redeemed by Texas Instruments as described below.

As soon as practicable after the Distribution Date, Rights certificates will be mailed to holders of record of Texas Instruments Common Stock as of the close of business on the Distribution Date and, thereafter, the separate Rights certificates alone will represent the Rights. Except as otherwise determined by the Board of Directors, with certain exceptions, only shares of Texas Instruments Common Stock issued prior to the Distribution Date will be issued with Rights.

In the event that any person becomes an Acquiring Person, proper provision will be made so that each holder of a Right, other than Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by an Acquiring Person (which will thereafter be void), will thereafter have the right to receive upon exercise that number of shares of Texas Instruments Common Stock having a market value of two times the Purchase Price of the Right. In the event that, at any time following the Stock Acquisition Date, (i) Texas Instruments is acquired in a merger or other business combination transaction or (ii) 50% or more of Texas Instruments' assets or earning power is sold, each holder of a Right shall thereafter have the right to receive, upon exercise, Texas Instruments Common Stock of the acquiring company having a value equal to two times the Purchase Price of the Right. The events described in this paragraph are referred to as "Triggering Events."

The Purchase Price payable, and the number of Units of Cumulative Preferred Stock or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Cumulative Preferred Stock, (ii) if holders of the Cumulative Preferred Stock are granted certain rights or warrants to subscribe for Cumulative Preferred Stock or convertible securities at less than the current market price of the Cumulative Preferred Stock, or (iii) upon the distribution to holders of the Cumulative Preferred Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments amount to at least 1% of the Purchase Price. No fractional Units will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Cumulative Preferred Stock on the last trading date prior to the date of exercise.

The Rights may be redeemed in whole, but not in part, at a price of \$.01 per Right by the Board of Directors at any time until the tenth day after the Stock Acquisition Date (or such later date as a majority of the Continuing Directors (as defined below) then in office may determine). Under certain circumstances set forth in the Rights Agreement, the decision to redeem shall require the concurrence of a majority of the Continuing Directors. Immediately upon the action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and thereafter the only right of the holders of Rights will be to receive the redemption price.

The term "Continuing Director" means (i) any member of the Board of Directors who was a member of the Board prior to the time the Acquiring Person becomes such, and (ii) any person who is subsequently elected to the Board if such person is recommended or approved by a majority of the Continuing Directors. Continuing Directors do not include an Acquiring Person, or an affiliate or associate of an Acquiring Person, or any representative of the foregoing entities.

Until a Right is exercised, the holder will have no rights as a shareholder of Texas Instruments (beyond those as an existing shareholder), including the right to vote or to receive dividends.

Other than those provisions relating to the principal economic terms of the Rights, any of the provisions of the Rights Agreement may be amended by the Board of Directors of Texas Instruments prior to the Distribution Date. After the Distribution Date, the provisions of the Rights Agreement may be amended by the Board in order to cure any ambiguity, to correct or supplement any provision contained therein which may be defective or inconsistent with any other provisions, to make changes which do not adversely affect the interests of holders of Rights or to shorten or lengthen any time period under the Rights Agreement; provided, however, that the Rights Agreement may not be amended to lengthen (i) a time period relating to when the Rights may be redeemed at such time as the Rights are not then redeemable or (ii) any other time period unless such lengthening is for the purpose of protecting, enhancing or clarifying the rights of, and/or benefits to, the holders of Rights.

PLAN OF DISTRIBUTION

The Offered Securities may be sold in a public offering to or through underwriters or dealers designated from time to time. Texas Instruments and the Issuer may sell the Offered Securities as soon as practicable after effectiveness of the Registration Statement of which the Prospectus is a part. The names of any underwriters or dealers involved in the sale of the Offered Securities in respect of which this Prospectus is delivered, the amount or number of Offered Securities to be purchased by any such underwriters and any applicable commissions or discounts will be set forth in the Prospectus Supplement.

Underwriters may offer and sell Offered Securities at a fixed price or prices, which may be changed, or from time to time at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. In connection with the sale of QUIPS, underwriters may be deemed to have received compensation from Texas Instruments and/or the Issuer in the form of underwriting discounts or commissions and may also receive commissions. Underwriters may sell Offered Securities to or through

dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters.

Any underwriting compensation paid by Texas Instruments and/or the Issuer to underwriters in connection with the offering of Offered Securities, and any discounts, concessions or commissions allowed by such underwriters to participating dealers, will be described in a Prospectus Supplement. Underwriters and dealers participating in the distribution of Offered Securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of such Offered Securities may be deemed to be underwriting discounts and commissions, under the Securities Act. Underwriters and dealers may be entitled, under agreement with Texas Instruments and the Issuer, to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act, and to reimbursement by Texas Instruments for certain expenses.

In connection with the offering of the QUIPS, the Issuer may grant to the underwriters an option to purchase additional QUIPS to cover over-allotments, if any, at the initial public offering price (with an additional underwriting commission), as may be set forth in the accompanying Prospectus Supplement. If the Issuer grants any over-allotment option, the terms of such over-allotment option will be set forth in the Prospectus Supplement for such QUIPS.

Underwriters and dealers may engage in transactions with, or perform services for, Texas Instruments and/or the Issuer and/or any of their affiliates in the ordinary course of business.

The Offered Securities will be new issues of securities and will have no established trading market. Any underwriters to whom Offered Securities are sold for public offering and sale may make a market in such Offered Securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. Such Offered Securities may or may not be listed on a national securities exchange or the New York Stock Exchange, as set forth in the applicable Prospectus Supplement. No assurance can be given as to the liquidity of or the existence of trading markets for any Offered Securities.

LEGAL OPINIONS

Unless otherwise set forth in the applicable Prospectus Supplement, certain matters of Delaware law relating to the legality of the QUIPS, the validity of the Trust Agreement and the formation of the Issuer will be passed upon by Richards, Layton & Finger, special Delaware counsel to Texas Instruments and the Issuer. The legality of the Guarantee, the Texas Instruments Common Stock and the QUIPS will be passed upon for Texas Instruments by Richard J. Agnich, Senior Vice President, Secretary and General Counsel of Texas Instruments, and for the Underwriters by Davis Polk & Wardwell, New York, New York. Certain matters relating to United States federal income tax considerations will be passed upon for Texas Instruments by Davis Polk & Wardwell.

EXPERTS

The audited consolidated financial statements of Texas Instruments incorporated herein by reference to Texas Instruments' Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (as amended by the Form 10-K/A filed June 21, 1996) have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements (to the extent covered by consents filed with the Commission) and upon such reports given on the authority of such firm as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

Registration fees.....	\$137,932
Trustee's fees.....	8,500
Costs of printing and engraving.....	35,000
Legal fees.....	30,000
Accounting fees.....	30,000
Blue sky fees and expenses.....	25,000
New York Stock Exchange Listing Fee.....	58,300
Rating Agency Fees.....	125,000
Miscellaneous.....	5,268

Total.....	\$455,000
	=====

All amounts estimated except for registration fees.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The General Corporation Law of the State of Delaware, at Section 145, provides, in pertinent part, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as the director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. In addition, the indemnification of expenses (including attorneys' fees) is allowed in derivative actions, except no indemnification is allowed in respect to any claim, issue or matter as to which any such person has been adjudged to be liable to the corporation, unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought decides that indemnification is proper. To the extent that any such person succeeds on the merits or otherwise, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. The determination that the person to be indemnified met the applicable standard of conduct, if not made by a court, is made by the directors of the corporation by a majority vote of the directors not party to such an action, suit or proceeding even though less than a quorum or, if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or by the stockholders. Expenses may be paid in advance upon the receipt, in the case of officers and directors, of undertakings to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the corporation as authorized in this section. A corporation may purchase indemnity insurance.

The above described indemnification and advancement of expenses, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and inure to the benefit of such person's heirs, executors and administrators.

Article VI, Section 2 of the Texas Instruments' By-laws provides that Texas Instruments shall indemnify its officers and directors for such expenses, judgments, fines and amounts paid in settlement to the full extent permitted by the laws of the State of Delaware.

Section 102(b)(7) of the Delaware General Corporation Law, as amended, permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. Article Seventh of Texas Instruments' Restated Certificate of Incorporation contains such a provision.

Under insurance policies of Texas Instruments, directors and officers of Texas Instruments may be indemnified against certain losses arising from certain claims, including claims under the Securities Act of 1933, which may be made against such persons by reason of their being such directors or officers.

See the form of proposed Underwriting Agreement filed as Exhibit 1 for certain indemnification provisions.

Under the Trust Agreement, Texas Instruments will agree to indemnify each of the Trustees of Texas Instruments Financial Trust or any predecessor Trustee for Texas Instruments Financial Trust, and to hold each of the Trustees harmless against, any loss, damage, claims, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the Trust Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under the Trust Agreement.

ITEM 16. EXHIBITS

- Exhibit 1 -- Form of proposed Underwriting Agreement (to be filed as an Exhibit to a Current Report on Form 8-K and incorporated herein by reference).
- Exhibit 4(a) -- Form of Junior Subordinated Indenture dated as of _____, 1996 between the Company and The First National Bank of Chicago, as Debenture Trustee.
- Exhibit 4(b) -- Certificate of Trust of Texas Instruments Financial Trust.
- Exhibit 4(c) -- Trust Agreement of Texas Instruments Financial Trust.
- Exhibit 4(d) -- Form of Amended and Restated Trust Agreement of Texas Instruments Financial Trust.
- Exhibit 4(e) -- Form of Preferred Security Certificate for Texas Instruments Financial Trust (included as Exhibit E of Exhibit 4(d) hereto).
- Exhibit 4(f) -- Form of Guarantee Agreement.
- Exhibit 4(g) -- Rights Agreement dated as of June 17, 1988 between Texas Instruments Incorporated and Harris Trust and Savings Bank, as successor to Morgan Shareholder Services Trust Company (incorporated by reference to Exhibits 1 and 2 to Texas Instruments' Report on Form 8-A, dated June 21, 1988).
- Exhibit 4(h) -- Form of Supplemental Indenture between Texas Instruments and The First National Bank of Chicago, as Debenture Trustee (to be filed as an Exhibit to a Current Report on Form 8-K and incorporated herein by reference).
- Exhibit 5(a) -- Opinion of Richard J. Agnich, Esq., relating to the legality of the Guarantee, the Common Stock and the Junior Subordinated Deferrable Interest Debentures (to be filed as an Exhibit to a Current Report on Form 8-K and incorporated herein by reference).

Exhibit 5(b)	-- Opinion of Richards, Layton & Finger, special Delaware counsel, relating to the legality of the Preferred Securities of Texas Instruments Financial Trust (to be filed as an Exhibit to a Current Report on Form 8-K and incorporated herein by reference).
Exhibit 8	-- Opinion of Davis Polk & Wardwell as to certain United States federal income tax matters (to be filed as an Exhibit to a Current Report on Form 8-K and incorporated herein by reference).
Exhibit 12	-- Computation of Ratio of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to Texas Instruments' Quarterly Report on Form 10-Q for the quarter ended March 31, 1996).
Exhibit 23(a)	-- Consent of Independent Public Accountants.
Exhibit 23(b)	-- Consent of Richard J. Agnich, Esq. (to be included in Exhibit 5(a)).
Exhibit 23(c)	-- Consent of Richards, Layton & Finger, special Delaware counsel (to be included in Exhibit 5(b)).
Exhibit 23(d)	-- Consent of Davis Polk & Wardwell (to be included in Exhibit 8).
Exhibit 24	-- Powers of Attorney for the Directors of the Company.
Exhibit 25(a)	-- Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The First National Bank of Chicago, as Trustee for the Junior Subordinated Indenture and as Guarantee Trustee for the Guarantee for Texas Instruments Financial Trust.
Exhibit 25(b)	-- Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The First National Bank of Chicago, as Property Trustee for the Amended and Restated Trust Agreement of Texas Instruments Financial Trust.

ITEM 17. UNDERTAKINGS. The Registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made of the securities registered hereby, a post-effective amendment to this registration statement;

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

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement;

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

provided, however, that the undertakings set forth in paragraph (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

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

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

The Registrants hereby further undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrants' annual reports pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee

benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to trustees, directors, officers and controlling persons of the Registrants pursuant to the provisions set forth or described in Item 15 of this registration statement, or otherwise (but that term shall not include the insurance policies referred to in Item 15), the Registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrants of expenses incurred or paid by a trustee, director, officer or controlling person of the Registrants in the successful defense of any action, suit or proceeding) is asserted against the Registrants by such trustee, director, officer or controlling person, in connection with the securities registered hereby, the Registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Texas Instruments certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, State of Texas, on the 28th day of June, 1996.

TEXAS INSTRUMENTS INCORPORATED

By: /s/ WILLIAM A. AYLESWORTH

 William A. Aylesworth
 Senior Vice President, Treasurer and
 Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on the 28th day of June, 1996.

SIGNATURE	TITLE

/s/ JAMES R. ADAMS*	Chairman of the Board; Director

James R. Adams	
/s/ DAVID L. BOREN*	Director

David L. Boren	
/s/ JAMES B. BUSEY IV*	Director

James B. Busey IV	
/s/ THOMAS J. ENGIBOUS*	President; Chief Executive Officer; Director

Thomas J. Engibous	
/s/ GERALD W. FRONTERHOUSE*	Director

Gerald W. Fronterhouse	
/s/ DAVID R. GOODE*	Director

David R. Goode	
/s/ WILLIAM S. LEE*	Director

William S. Lee	
/s/ WILLIAM B. MITCHELL*	Vice Chairman; Director

William B. Mitchell	
/s/ GLORIA M. SHATTO*	Director

Gloria M. Shatto	
/s/ WILLIAM P. WEBER*	Vice Chairman; Director

William P. Weber	
	Director

Clayton K. Yeutter	

SIGNATURE

TITLE

/s/ WILLIAM A. AYLESWORTH

Senior Vice President; Treasurer; Chief
Financial Officer

William A. Aylesworth

/s/ MARVIN M. LANE, JR.*

Vice President; Corporate Controller

Marvin M. Lane, Jr.

*By: /s/ WILLIAM A. AYLESWORTH

William A. Aylesworth
Attorney-in-Fact

Pursuant to the requirements of the Securities Act of 1933, Texas Instruments Financial Trust certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, State of Texas, on the 28th day of June, 1996.

TEXAS INSTRUMENTS FINANCIAL TRUST
(Registrant)

By: Texas Instruments Incorporated,
as Depositor

By: /s/ WILLIAM A. AYLESWORTH

William A. Aylesworth
Senior Vice President, Treasurer
and
Chief Financial Officer

II-6

INDEX TO EXHIBITS

EXHIBIT
NUMBER

-
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- Exhibit 23(c) -- Consent of Richards, Layton & Finger, special Delaware counsel (to be included in Exhibit 5(b)).
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- Exhibit 25(b) -- Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The First National Bank of Chicago, as Property Trustee for the Amended and Restated Trust Agreement of Texas Instruments Financial Trust.

TEXAS INSTRUMENTS INCORPORATED
to
THE FIRST NATIONAL BANK OF CHICAGO
as Trustee

JUNIOR SUBORDINATED INDENTURE
Dated as of _____, 1996

TEXAS INSTRUMENTS INCORPORATED

Reconciliation and tie between the Trust Indenture Act of 1939 (including cross-references to provisions of Sections 310 to and including 317 which, pursuant to Section 318(c) of the Trust Indenture Act of 1939, as amended by the Trust Reform Act of 1990, are a part of and govern the Indenture whether or not physically contained therein) and the Junior Subordinated Indenture, dated as of _____, 1996.

Trust Indenture Act Section	Indenture Section
Section 310(a)(1), (2) and (5)	6.09
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	6.08
(c)	6.10
(c)	Not Applicable
Section 311(a)	6.13(a)
(b)	6.13(b)
(b)(2)	7.03(a)(2)
(b)(2)	7.03(a)(2)
Section 312(a)	7.01
(b)	7.02(a)
(b)	7.02(b)
(c)	7.02(c)
Section 313(a)	7.03(a)
(b)	7.03(b)
(c)	7.03(a), 7.03(b)
(d)	7.03(c)
Section 314(a)(1), (2) and (3)	7.04
(a)(4)	10.06
(b)	Not Applicable
(c)(1)	1.02
(c)(2)	1.02
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	1.02
(f)	Not Applicable
Section 315(a)	6.01(a)
(b)	6.02
(b)	7.03(a)(6)
(c)	6.01(b)
(d)	6.01(c)
(d)(1)	6.01(a)(1)

	(d)(2)	6.01(c)(2)
	(d)(3)	6.01(c)(3)
	(e)	5.14
Section	316(a)	1.01
	(a)(1)(A)	5.12
	(a)(1)(B)	5.13
	(a)(2)	Not Applicable
	(b)	5.08
	(c)	1.04(f)
Section	317 (a)(1)	5.03
	(a)(2)	5.04
	(b)	10.03
Section	318 (a)	1.07

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Junior Subordinated Indenture.

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JUNIOR SUBORDINATED INDENTURE, dated as of _____, 1996 between TEXAS INSTRUMENTS INCORPORATED, a Delaware corporation (hereinafter called the "Company") having its principal office at 13500 North Central Expressway, Dallas, Texas 75265, and THE FIRST NATIONAL BANK OF CHICAGO, a national banking association duly organized and existing under the laws of the United States, as Trustee (hereinafter called the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured junior subordinated debt securities in series (hereinafter called the "Debentures") of substantially the tenor hereinafter provided, including, without limitation, securities issued to evidence loans made to the Company of the proceeds from the issuance from time to time by a business trust (the "Texas Instruments Trust") of preferred trust interests in the Texas Instruments Trust (the "Preferred Securities") and common interests in the Texas Instruments Trust (the "Common Securities"), and to provide the terms and conditions upon which the Debentures are to be authenticated, issued and delivered.

All things necessary to make the Debentures, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Indenture a valid agreement of the Company, in accordance with their and its terms, have been done.

NOW THEREFORE, THIS INDENTURE WITNESSETH:

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

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01. Definitions. For all purpose of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

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

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles which are generally accepted at the date or time of such computation; and

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

Certain terms, used principally in Article 6, are defined in that Article.

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

"Additional Interest" means the interest, if any, that shall accrue on any interest on the Debentures of any series that is in arrears for more than one interest payment period or not paid during any Extension Period, which in either case shall accrue at the rate per annum specified or determined as specified in such Debenture.

"Additional Sums" has the meaning specified in Section 10.07.

"Additional Taxes" means the sum of any additional taxes, duties and other governmental charges to which the Texas Instruments Trust has become subject from time to time as a result of a Tax Event.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; provided, however, that an Affiliate of the Company shall not be deemed to include the Texas Instruments Trust to which Debentures have been issued. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 6.14 to act on behalf of the Trustee to authenticate Debentures of one or more series.

"Board of Directors" means either the board of directors of the Company or any committee of that board duly authorized to act hereunder.

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

"Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed or a day on which the Corporate Trust Office of the Trustee, or, with respect to the Debentures of a series issued to the Texas Instruments Trust, the principal office of the Property Trustee under the Trust Agreement, is closed for business.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

"Common Securities" has the meaning specified in the first recital of this Indenture.

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

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

"Corporate Trust Office" means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered.

"Corporation" includes corporations, associations, companies and business trusts.

"Debentures" or "Debenture" means any debt securities or debt security, as the case may be, authenticated and delivered under this Indenture.

"Debt" means, with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent, (i) every obligation of such Person for money borrowed; (ii) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses; (iii) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such

Person; (iv) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business); (v) every capital lease obligation of such Person; and (vi) every obligation of the type referred to in clauses (i) through (v) of another Person and all dividends of another Person the payment of which, in either case, such Person has guaranteed or is responsible or liable, directly or indirectly, as obligor or otherwise.

"Defaulted Interest" has the meaning specified in Section 3.07.

"Depository" means, with respect to the Debentures of any series issuable or issued in whole or in part in the form of one or more Global Debentures, the Person designated as Depository by the Company pursuant to Section 3.01 with respect to such series (or any successor thereto).

"Dollar" means the currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

"Establishing Documents" means with respect to Debentures of any series, the Board Resolution and, if applicable, the other instrument or instruments executed pursuant thereto and related Officers' Certificate, or the supplemental Indenture, in which the terms of such Debentures were established.

"Events of Default" has the meaning specified in Article Five subject to any changes set forth in the Establishing Documents.

"Extension Period" has the meaning specified in Section 3.11.

"Foreign Currency" means any currency issued by the government of one or more countries other than the United States of America or by any recognized confederation or association of such governments.

"Global Debenture" means a Debenture in the form prescribed in Section 2.04 evidencing all or part of a series of Debentures, issued to the Depository or its nominee for such series, and registered in the name of such Depository or its nominee.

"Government Obligations" means, securities which are (i) direct obligations of the United States of America or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed by the United States of America and which, in either case, are full faith and credit obligations of the United States of America and are not callable or redeemable at the option of the issuer thereof and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such

Government Obligation held by such custodian for the account of the holder of such depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depository receipt.

"Holder" means a Person in whose name a Debenture is registered in the Securities Register.

"Junior Subordinated Payment" has the meaning specified in Section 13.02.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of each particular series of Debentures established as contemplated by Section 3.01.

"Interest Payment Date" means as to each series of Debentures the Stated Maturity of an installment of interest on such Debentures.

"Interest Rate" means the rate of interest specified or determined as specified in each Debenture as being the rate of interest payable on such Debenture.

"Investment Company Event" means, in respect of the Texas Instruments Trust, the receipt by the Texas Instruments Trust of an Opinion of Counsel, rendered by a law firm having a recognized national tax and securities practice, to the effect that, as a result of the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law"), the Texas Instruments Trust is or will be considered an "investment company" that is required to be registered under the 1940 Act, which Change in 1940 Act Law becomes effective on or after the date of original issuance of the Preferred Securities of such Texas Instruments Trust.

"Lien" means any mortgage, pledge, lien, security interest or other encumbrance.

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

"1940 Act" means the Investment Company Act of 1940, as amended.

"Notice of Default" has the meaning specified in Section 5.01(c).

"Officers' Certificate" means a certificate signed by (i) the Chairman, Chief Executive Officer, President or a Vice President, and by (ii) the Treasurer, an Assistant Treasurer, the Controller, the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company, the Texas Instruments Trust, or the Trustee, and who may be an employee thereof, and who shall be acceptable to the Trustee.

"Original Issue Date" means the date of issuance specified as such in each Debenture.

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

"Outstanding" means, as of the date of determination, all Debentures theretofore authenticated and delivered under this Indenture, except:

(i) Debentures theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) Debentures for whose payment money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Debentures; and

(iii) Debentures in substitution for or in lieu of which other Debentures have been authenticated and delivered or which have been paid pursuant to Section 3.06, unless proof satisfactory to the Trustee is presented that any Debentures are held by Holders in whose hands such Debentures are valid, binding and legal obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Debentures have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Debentures owned by the Company or any other obligor upon the Debentures or any Affiliate of the Company or such other obligor shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Debentures which the Trustee knows to be so owned shall be so disregarded. Debentures so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Debentures and that the pledgee is not the Company or any other obligor upon the Debentures or any Affiliate of the Company or such other obligor. Upon request of the Trustee, the Company shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all

Debentures, if any, known by the Company to be owned or held by or for the account of the Company, or any other obligor on the Debentures or any Affiliate of the Company or such obligor, and, subject to the provisions of Section 6.01, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Debentures not listed therein are Outstanding for the purpose of any such determination.

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

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment" means, with respect to the Debentures of any series, the place or places where the principal of (and premium, if any) and interest on the Debentures of such series are payable pursuant to Section 3.01 or 3.11.

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

"Preferred Securities" has the meaning specified in the first recital of this Indenture.

"Proceeding" has the meaning specified in Section 13.02.

"Property Trustee" means, in respect of the Texas Instruments Trust, the commercial bank or trust company identified as the "Property Trustee" in the Trust Agreement, solely in its capacity as Property Trustee of the Texas Instruments Trust under the Trust Agreement and not in its individual capacity, or its successor in interest in such capacity, or any successor property trustee appointed as therein provided.

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

"Regular Record Date" for the interest payable on any Interest Payment Date with respect to the Debentures of a series means, unless otherwise provided pursuant to Section 3.01 with respect to Debentures of a series, the date which is fifteen days next preceding such Interest Payment Date (whether or not a Business Day).

"Responsible Officer" when used with respect to the Trustee means any officer of the Trustee assigned by the Trustee from time to time to administer its corporate trust matters, or any other officer to whom such matters may be referred.

"Securities Register" and "Securities Registrar" have the respective meanings specified in Section 3.05.

"Senior Debt" means the principal of (and premium, if any) and interest, if any (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not such claim for post-petition interest is allowed in such proceeding), on Debt, whether incurred on or prior to the date of this Indenture or thereafter incurred, unless, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are not superior in right of payment to the Debentures or to other Debt which is pari passu with, or subordinated to, the Debentures, provided, however, that Senior Debt shall not be deemed to include (a) any Debt of the Company which when incurred and without respect to any election under Section 1111(b) of the Bankruptcy Reform Act of 1978, was without recourse to the Company, (b) any Debt of the Company to any of its Subsidiaries, (c) Debt to any employee of the Company, (d) any liability for taxes, (e) Debt or other monetary obligations to trade creditors created or assumed by the Company or any of its Subsidiaries in the ordinary course of business in connection with the obtaining of goods, materials or services and (f) the Debentures. Without limiting the generality of the foregoing, Senior Debt shall include the 2 3/4% Convertible Subordinated Debentures due 2002 of the Company.

"Special Event" means a Tax Event or an Investment Company Event.

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

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

"Subsidiary" means any corporation of which at the time of determination the Company and/or one or more Subsidiaries owns or controls directly or indirectly more than 50% of the outstanding shares of voting stock. For purposes of this definition, "voting stock" means stock which has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"Tax Event" means the receipt by the Texas Instruments Trust of an Opinion of Counsel, rendered by a law firm having a recognized national tax and securities practice, to the effect that, as a result of any amendment to, or change (including any announced prospective change) in, the laws, (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement or decision is announced on or after the date of issuance of the Preferred Securities of the Texas Instruments Trust, there is more than an insubstantial risk that (i) the Texas Instruments Trust is, or will be within 90 days of the date thereof, subject to United States Federal income tax with respect to income received or accrued on the corresponding series of Debentures, (ii) interest payable by the Company on the corresponding series of Debentures is not, or within 90 days of the date thereof will not be, deductible, in whole or in part, for United States Federal income tax purposes or (iii) the Texas Instruments Trust is, or will be within 90 days of the date thereof, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Texas Instruments Common Stock" means common stock, par value \$1.00, of the Company.

"Texas Instruments Guarantee" means the guarantee by the Company of distributions on the Preferred Securities of the Texas Instruments Trust to the extent provided in the Guarantee Agreement, substantially in the form attached hereto as Annex C, or substantially in such form as may be specified as contemplated by Section 3.01 with respect to the Debentures of any series, in each case as amended from time to time.

"Texas Instruments Trust" has the meaning specified in the first recital of this Indenture.

"Trust Agreement" means the Trust Agreement substantially in the form attached hereto as Annex A, as amended by the form of Amended and Restated Trust Agreement substantially in the form attached hereto as Annex B, or substantially in such form as may be specified as contemplated by Section 3.01 with respect to the Debentures of any series, in each case as amended from time to time.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder and, if at any time there is more than one such Person, "Trustee" as used with respect to the Debentures of any series shall mean the Trustee with respect to Debentures of that series.

"Trust Indenture Act" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbb), as amended and as in effect on the date as of this Indenture, except as provided in Section 9.05.

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

SECTION 1.02. Compliance Certificate and Opinions. Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent (including covenants, compliance with which constitutes a condition precedent), if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent (including covenants compliance with which constitute a condition precedent), if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than the certificates provided pursuant to Section 10.05) shall include:

- (a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (c) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (d) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 1.03. Forms of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to

other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

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

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

SECTION 1.04. Acts of Holders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given to or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments is or are delivered to the Trustee, and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.01) conclusive in favor of the Trustee and the Company and any agent of the Trustee or the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a Person acting in other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The fact and date of the execution by any Person of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient and in accordance with such reasonable rules as the Trustee may determine.

(d) The ownership of Debentures shall be proved by the Securities Register.

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

(f) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to take any action under this Indenture by vote or consent. Except as otherwise provided herein, such record date shall be the later of 30 days prior to the first solicitation of such consent or vote or the date of the most recent list of Holders furnished to the Trustee pursuant to Section 7.01 prior to such solicitation. If a record date is fixed, those persons who were Holders at such record date (or their duly designated proxies), and only those persons, shall be entitled to take such action by vote or consent or to revoke any vote or consent previously given, whether or not such persons continue to be Holders after such record date, provided, however, that unless such vote or consent is obtained from the Holders (or their duly designated proxies) of the requisite principal amount of Outstanding Debentures prior to the date which is the 120th day after such record date, any such vote or consent previously given shall automatically and without further action by any Holder be canceled and of no further effect.

SECTION 1.05. Notices, Etc. to Trustee and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with

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

(b) the Company by the Trustee or by any Holder shall be sufficient for every purpose (except as otherwise provided in Section 5.01 hereof) hereunder if in writing and mailed, first class, postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 1.06. Notice to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Holder affected by such event, at the address of such Holder as it appears in the Securities Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice

with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 1.07. Conflict with Trust Indenture Act. If any provisions of this Indenture limits, qualifies or conflicts with the duties imposed by any of Sections 310 to 317, inclusive, of the Trust Indenture Act through operation of Section 318(c) thereof, such imposed duties shall control.

SECTION 1.08. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.09. Successors and Assigns. All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 1.10. Separability Clause. In case any provision in this Indenture or in the Debentures shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.11. Benefits of Indenture. Nothing in this Indenture or in the Debentures, express or implied, shall give to any Person, other than the parties thereto, any Paying Agent and their successors and assigns and the Holders of the Debentures, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.12. Governing Law. This Indenture and the Debentures shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 1.13. Non-Business Days. In any case where any Interest Payment Date, Redemption Date, or Stated Maturity of any Debenture shall not be a Business Day, then (notwithstanding any other provision of this Indenture or the Debentures) payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day and no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, until the next succeeding Business Day, in each case with the same force and effect as if made on the Interest Payment Date or Redemption Date or at the Stated Maturity, except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day.

ARTICLE 2
DEBENTURE FORM

SECTION 2.01. Forms Generally. The Debentures of each series and the Trustee's certificate of authentication shall be in substantially the forms sets forth in this Article, or in such other form or forms as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with applicable tax laws or the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Debentures, as evidenced by their execution of the Debentures. If the form of Debentures of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 3.03 with respect to the authentications and delivery of such Debentures.

The Trustee's certificates of authentication shall be substantially in the form set forth in this Article.

The definitive Debentures shall be printed, lithographed or engraved or produced by any combination of these methods, if required by any Debentures exchange on which the Debentures may be listed, on a steel engraved border or steel engraved borders or may be produced in any other manner permitted by the rules of any securities exchange on which the Debentures may be listed, all as determined by the officers executing such Debentures, as evidenced by their execution of such Debentures.

SECTION 2.02. Form of Face of Debenture. If the Debenture is an Original Issue Discount Security, insert -- This Debenture was issued with original issue discount for United States Federal income tax purposes. For further information, please contact [name and title of a representative of the Company], 13500 North Central Expressway, Dallas, Texas 75205 [telephone number of a representative of the Company].

TEXAS INSTRUMENTS INCORPORATED

(Title of Debenture)

No. _____

\$ _____
CUSIP _____

TEXAS INSTRUMENTS INCORPORATED, a corporation organized and existing under the laws of Delaware (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or assigns, (the principal sum of _____ Dollars on _____), to pay interest on said principal sum from _____, _____ or from the most recent interest payment date (each such date, an "Interest Payment Date") on which interest has been paid or duly provided for, [monthly] [quarterly] [semi-annually] [if applicable, insert - plus Additional Interest, if any] until the principal hereof is paid or duly provided for or made available for payment [if applicable insert- (subject to deferral as set forth herein)] in arrears on [insert applicable Interest Payment Dates] of each year, commencing _____, _____, at the rate of _____% per annum, until the principal hereof shall have become due and payable, [if applicable, insert - and on any overdue principal and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the rate of _____% per annum, compounded [monthly] [quarterly] [annually]. The amount of interest payable for any period will be computed on the basis of [twelve 30-day months] and a [360-day] year. In the event that any date on which interest is payable on this Debenture is not a Business Day, then a payment of the interest on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date the payment was originally payable. A "Business Day" shall mean any day other than a day on which banking institutions in the City of New York are authorized or required by law or executive order to remain closed or a day on which the Corporate Trust Office of the Trustee [if applicable, insert - , or the principal office of the Property Trustee under the Trust Agreement hereinafter referred to for Texas Instruments Financial Trust,] is closed for business. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Debenture (or one or more Predecessor Debentures, as defined in the Indenture) is registered at the close of business on the Regular Record Date, for such interest installment which shall be the [insert Regular Record Dates] (whether or not a Business Day)] [close of business on the Business Day] next preceding such Interest Payment Date. Any such interest installment not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Debenture (or one or more Predecessor Debentures) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Debentures of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Debentures of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

[If applicable, insert - The Company shall have the right at any time during the term of this Debenture, from time to time, to extend the interest payment period of such Debenture for up

to consecutive [months] [quarters] with respect to each deferral period (each an "Extension Period"), during which periods the Company shall have the right not to make payments of interest on any Interest Payment Date, and at the end of which the Company shall pay all interest then accrued and unpaid hereon (together with Additional Interest thereon to the extent permitted by applicable law); provided that during any such Extension Period, the Company will not, and will not permit any Subsidiary to (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Company's outstanding capital stock, (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank pari passu with or junior in interest to this Debenture or make any guarantee payments with respect to any guarantee by the Company of the debt securities of any Subsidiary if such guarantee ranks pari passu or junior in interest to the Debentures or (iii) cause the conversion rights, if any, of the Holders of the Debentures to expire (other than (a) dividends or distributions in common stock of the Company, (b) redemptions or purchases of any rights pursuant to the Company's Shareholders Rights Plan, or any successor to such Shareholders Rights Plan, and the declaration of a dividend of such rights in the future, (c) payments under the Texas Instruments Guarantee (as defined in the Indenture), (d) purchases of Texas Instruments Common Stock related to the issuance of Texas Instruments Common Stock under any of the Company's benefit plans for its directors, officers or employees and (e) purchases of Texas Instruments Common Stock required to prevent loss or secure the renewal or reinstatement of any government license or franchise held by the Company or its Subsidiaries). Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that such Extension Period together with all such previous and further extensions of such Extension Period shall not exceed ___ consecutive [months] [quarters] or extend beyond the Maturity of this Debenture. Upon the termination of any such Extension Period and upon the payment of all accrued and unpaid interest and any Additional Interest then due, the Company may select a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period except at the end thereof. The Company shall give the Holder of this Debenture and the Trustee notice of its selection of an Extension Period at least one Business Day prior to [the Interest Payment Date] [the earlier of (i) the date the Distributions on the Preferred Securities are payable or (ii) the date the Property Trustee is required to give notice to the New York Stock Exchange or other applicable self-regulatory organization or to holders of such Preferred Securities of the record date or the date such Distributions are payable, but in any event not less than one Business Day prior to such record date.]

Payment of the principal of (and premium, if any) and interest on this Debenture will be made at the office or agency of the Company maintained for that purpose in the United States, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts [if applicable, insert -, provided, however, that at the option of the Company payment of interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Securities Register or (ii) by wire

transfer in immediately available funds at such place and to such account as may be designated by the Person entitled thereto as specified in the Securities Register].

The indebtedness evidenced by this Debenture is, to the extent provided in the Indenture, subordinate and subject in right of payments to the prior payment in full of all Senior Debt, and this Debenture is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Debenture, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such actions as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee his attorney-in-fact for any and all such purposes. Each Holder hereof, by his acceptance hereof, waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Debt, whether now outstanding or hereafter incurred, and waives reliance by each such holder upon said provisions.

Reference is hereby made to the further provisions of this Debenture set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Debenture shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated

TEXAS INSTRUMENTS INCORPORATED

By: [President or Vice President]

Attest:

[Secretary or Assistant Secretary]

SECTION 2.03. Form of Reverse of Debenture. This Debenture is one of a duly authorized issue of debentures of the Company, (herein called the "Debentures"), issued and to be issued in one or more series under a Junior Subordinated Indenture, dated as of _____

___, 1996 (herein called the "Indenture"), between the Company and The First National Bank of Chicago, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which the Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debentures, and of the terms upon which the Debentures are, and are to be, authenticated and delivered. This Debenture is one of the series designated on the face hereof.

All terms used in this Debenture that are defined in the Indenture or in the Establishing Documents (as defined in the Indenture) shall have the meanings assigned to them in the Indenture or the Establishing Documents, as the case may be.

[If applicable, insert- At any time on or after _____, _____, the Company may, at its option, subject to the terms and conditions of Article Eleven of the Indenture, redeem this Debenture on any Interest Payment Date with respect thereto in whole at any time or in part from time to time, without premium or penalty, at a redemption price equal to 100% of the principal amount thereof plus the accrued and unpaid interest [if applicable, insert-, including Additional Interest, if any,] to the date fixed for redemption.]

[If applicable, insert- If a Special Event in respect of the Texas Instruments Trust shall occur and be continuing, the Company may, at its option, redeem the corresponding series of Debentures on any Interest Payment Date falling within 90 days of the occurrence of such Special Event, in whole but not in part, subject to the provisions of Section 11.07 and the other provisions of Article Eleven of the Indenture. The redemption price for any Debenture so redeemed shall be equal to 100% of the principal amount thereof plus accrued and unpaid interest, including Additional Interest, if any, to the date fixed for redemption.]

In the event of redemption of this Debenture in part only, a new Debenture or Debentures of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

[If the Debenture is not an Original Issue Discount Security, - If an Event of Default with respect to Debentures of this series shall occur and be continuing, the principal of the Debentures of this series may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.]

[If the Debenture is an Original Issue Discount Security, - If an Event of Default with respect to Debentures of this series shall occur and be continuing, an amount of principal of the Debentures of this series may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture. Such amount shall be equal to [- insert formula for determining the amount]. Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal and overdue interest (in each case to

the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and interest, if any, on the Debentures of this series shall terminate.]

The Indenture contains provisions for satisfaction, discharge and defeasance at any time of the entire indebtedness of this Debenture upon compliance by the Company with certain conditions set forth in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Debentures of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Debentures of each series at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting Holders of specified percentages in principal amount of the Debentures of each series at the time Outstanding, on behalf of the Holders of all Debentures of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver shall be conclusive and binding upon the Holder of this Debenture and upon all future Holders of this Debenture and of any Debenture issued upon the registration of transfer hereof or in exchange therefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Debenture.

As provided in and subject to the provisions of the Indenture, if an Event of Default with respect to Debentures of any series at the time Outstanding occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debentures of that series may declare the principal amount (or, if the Debentures of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all the Debentures of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), provided that, in the case of the Debentures of a series issued to the Texas Instruments Trust, if upon an Event of Default, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debentures of that series fail to declare the principal of all the Debentures of that series to be immediately due and payable, the holders of at least 25% in aggregate liquidation amount of the corresponding series of Preferred Securities then outstanding shall have such right by a notice in writing to the Company and the Trustee; and upon any such declaration such principal amount (or specified amount) of and the accrued interest (including any Additional Interest) on all the Debentures of such series shall become immediately due and payable, provided that the payment of principal and interest (including any Additional Interest) on such Debentures shall remain subordinated to the extent provided in Article Thirteen of the Indenture.

No reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and

unconditional, to pay the principal of (and premium, if any) and interest on this Debenture at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Debenture is registrable in the Securities Register, upon surrender of this Debenture for registration of transfer at the office or agency of the Company maintained under Section 10.02 of the Indenture duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Securities Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Debentures of this series, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Debenture for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Debenture is registered as the owner hereof for all purposes, whether or not this Debenture be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Debentures of this series are issuable only in registered form without coupons in denominations of \$50 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Debentures of this series are exchangeable for a like aggregate principal amount of Debentures of such series of a different authorized denomination, as requested by the Holder surrendering the same.

[If applicable, insert- The Company and, by its acceptance of this Debenture or a beneficial interest therein, the Holder of, and any Person that acquires a beneficial interest in, this Debenture agree that for United States Federal, state and local tax purposes it is intended that this Debenture constitute indebtedness.]

THE INDENTURE AND THIS DEBENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THEREOF.

SECTION 2.04. Additional Provisions Required in Global Debenture. Any Global Debenture issued hereunder shall, in addition to the provisions contained in Sections 2.02 and 2.03 bear a legend in substantially the following form:

"This Debenture is a Global Debenture within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depositary or a nominee of a Depositary. This Debenture is exchangeable for Debentures registered in the name of a person other than the

Depository or its nominee only in the limited circumstances described in the Indenture and may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository."

SECTION 2.05. Form of Trustee's Certificate of Authentication. This is one of the Debentures of the series designated in the within mentioned Indenture referred to therein.

as Trustee

By: Authorized officer

ARTICLE 3

THE DEBENTURES

SECTION 3.01. Title and Terms. The aggregate principal amount of Debentures which may be authenticated and delivered under this Indenture is unlimited.

The Debentures may be issued in one or more series. There shall be established in the Establishing Documents prior to the issuance of Debentures of a series:

(a) the title of the Debentures of such series, which shall distinguish the Debentures of the series from all other Debentures;

(b) the limit, if any, upon the aggregate principal amount of the Debentures of such series which may be authenticated and delivered under this Indenture (except for Debentures authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Debentures of the series pursuant to Section 3.04, 3.05, 3.06, 9.06 or 11.06); provided, however, that the authorized aggregate principal amount of such series may be increased above such amount by a Board Resolution to such effect;

(c) the Stated Maturity or Maturities on which the principal of the Debentures of such series is payable or the method of determination thereof;

(d) the rate or rates, if any, at which the Debentures of such series shall bear interest, if any, the rate or rates and extent to which Additional Interest, if any, shall be payable in respect of any Debentures of such series, the Interest Payment Dates on which such interest shall be payable, the right, pursuant to Section 3.11 or as otherwise set forth therein, of the Company to defer or extend an Interest Payment Date, and the Regular

Record Date for the interest payable on any Interest Payment Date or the method by which any of the foregoing shall be determined;

(e) the place or places where the principal of (and premium, if any) and interest on the Debentures of such series shall be payable, the place or places where the Debentures of such series may be presented for registration of transfer or exchange, and the place or places where notices and demands to or upon the Company in respect of the Debentures of such series may be made;

(f) the period or periods within or the date or dates on which, if any, the price or prices at which and the terms and conditions upon which the Debentures of such series may be redeemed, in whole or in part, at the option of the Company;

(g) the obligation or the right, if any, of the Company to redeem, repay or purchase the Debentures of such series pursuant to any sinking fund, amortization or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices at which, the currency or currencies (including currency unit or units) in which and the other terms and conditions upon which Debentures of the series shall be redeemed, repaid or purchased, in whole or in part, pursuant to such obligation;

(h) the denominations in which any Debentures of such series shall be issuable, if other than denominations of \$50 and any integral multiple thereof;

(i) if other than Dollars, the currency or currencies (including currency unit or units) in which the principal of (and premium, if any) and interest, if any, on the Debentures of the series shall be payable, or in which the Debentures of the series shall be denominated;

(j) the additions, modifications or deletions, if any, in the Events of Default or covenants of the Company set forth herein with respect to the Debentures of such series;

(k) if other than the principal amount thereof, the portion of the principal amount of Debentures of such series that shall be payable upon declaration of acceleration of the Maturity thereof;

(l) the additions or changes, if any, to this Indenture with respect to the Debentures of such series as shall be necessary to permit or facilitate the issuance of the Debentures of such series in bearer form, registrable or not registrable as to principal, and with or without interest coupons;

(m) any index or indices used to determine the amount of payments of principal of and premium, if any, on the Debentures of such series or other manner in which such amounts will be determined;

(n) the issuance of a temporary Global Debenture representing all of the Debentures of such series and exchange of such temporary Global Debenture for definitive Debentures of such series;

(o) whether the Debentures of the series shall be issued in whole or in part in the form of one or more Global Debentures and, in such case, the Depository for such Global Debentures, which Depository shall be a clearing agency registered under the Securities Exchange Act of 1934, as amended;

(p) the appointment of any Paying Agent or Agents for the Debentures of such series;

(q) the terms and conditions if any, upon which such Debentures may be convertible into or exchanged for Texas Instruments Common Stock or other securities of any kind, including the initial conversion or exchange period, the circumstances under which any such conversion or exchange right may expire, and any other provision in addition to or in lieu of those set forth in this Indenture;

(r) the form or forms of the Trust Agreement, Amended and Restated Trust Agreement and Guarantee Agreement, if different from the forms attached hereto as Annexes A, B and C, respectively;

(s) the relative degree, if any, to which the Debentures of the series shall be senior to or be subordinated to other series of Debentures in right of payment, whether such other series of Debentures are Outstanding or not; and

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

All Debentures of any one series shall be substantially identical except as to denomination and except as may otherwise be provided herein or in or pursuant to such Board Resolution and set forth in such Officers' Certificate or in any such indenture supplemental hereto.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 3.02. Denominations. The Debentures of each series shall be in registered form without coupons and shall be issuable in denominations of \$50 and any integral multiple thereof, unless otherwise specified as contemplated by Section 3.01.

SECTION 3.03. Execution, Authentication, Delivery and Dating. The Debentures shall be executed on behalf of the Company by its President or one of its Vice Presidents under its corporate seal reproduced or impressed thereon and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Debentures may be manual or facsimile.

Debentures bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Debentures or did not hold such offices at the date of such Debentures. At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Debentures executed by the Company to the Trustee for authentication. Debentures may be authenticated on original issuance from time to time and delivered pursuant to such procedures acceptable to the Trustee ("Procedures") as may be specified from time to time by Company Order. Procedures may authorize authentication and delivery pursuant to oral instructions of the Company or a duly authorized agent, which instructions shall be promptly confirmed in writing.

Prior to the delivery of a Debenture in any such form to the Trustee for authentication, the Company shall deliver to the Trustee the following:

(a) A Company Order requesting the Trustee's authentication and delivery or all or a portion of the Debentures of such series, and if less than all, setting forth procedures for such authentication;

(b) The Board Resolution by or pursuant to which such form of Debenture has been approved, and the Board Resolution, if any, by or pursuant to which the terms of the Debentures of such series have been approved, and, if pursuant to a Board Resolution, an Officers' Certificate describing the action taken;

(c) An Officers' Certificate dated the date such certificate is delivered to the Trustee, stating that all conditions precedent provided for in this Indenture relating to the authentication and delivery of Debentures in such form and with such terms have been complied with; and

(d) An Opinion of Counsel stating that (i) the form of such Debentures has been duly authorized and approved in conformity with the provisions of this Indenture; (ii) the terms of such Debentures have been duly authorized and determined in conformity with the provisions of this Indenture, or, if such terms are to be determined pursuant to Procedures, when so determined

such terms shall have been duly authorized and determined in conformity with the provisions of this Indenture; and (iii) Debentures in such form when completed by appropriate insertions and executed and delivered by the Company to the Trustee for authentication in accordance with this Indenture, authenticated and delivered by the Trustee in accordance with this Indenture within the authorization as to aggregate principal amount established from time to time by the Board of Directors and sold in the manner specified in such Opinion of Counsel, will be the legal, valid and binding obligations of the Company entitled to the benefits of this Indenture, subject to applicable bankruptcy, reorganization, insolvency and similar laws generally affecting creditors' rights and to general equitable principles, except as enforcement thereof may be limited by (A) requirements that a claim with respect to any Debentures denominated other than in Dollars (or a Foreign Currency or currency unit judgment in respect of such claim) be converted into Dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or (B) governmental authority to limit, delay or prohibit the making of payments in Foreign Currencies or currency units or payments outside the United States and subject to such other qualifications as such counsel shall conclude do not materially affect the rights of Holders of such Debentures; provided however, that the Trustee shall be entitled to receive the documents referred to in clauses (b), (c) and (d) above only at or prior to the first request of the Company to the Trustee to authenticate Debentures of such series.

Each Debenture shall be dated the date of its authentication.

No Debenture shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Debenture a certificate of authentication substantially in the form provided for herein executed by the Trustee by the manual signature of one of its authorized officers, and such certificate upon any Debenture shall be conclusive evidence, and the only evidence, that such Debenture has been duly authenticated and delivered hereunder.

SECTION 3.04. Temporary Debentures. Pending the preparation of definitive Debentures of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Debentures which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Debentures of such series in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Debentures may determine, as evidenced by their execution of such Debentures.

If temporary Debentures of any series are issued, the Company will cause definitive Debentures of such series to be prepared without unreasonable delay. After the preparation of definitive Debentures, the temporary Debentures shall be exchangeable for definitive Debentures upon surrender of the temporary Debentures at the office or agency of the Company designated for the purpose without charge to the Holder. Upon surrender for cancellation of any one or more temporary Debentures, the Company shall execute and the Trustee shall authenticate and

deliver in exchange therefor a like principal amount of definitive Debentures of the same series of authorized denominations having the same Original Issue Date and Stated Maturity and having the same terms as such temporary Debentures. Until so exchanged, the temporary Debentures shall in all respects be entitled to the same benefits under this Indenture as definitive Debentures.

SECTION 3.05. Registration, Transfer and Exchange. The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Debentures and of transfers of Debentures. Such register is herein sometimes referred to as the "Securities Register." The Trustee is hereby appointed "Securities Registrar" for the purpose of registering Debentures and transfers of Debentures as herein provided.

Upon surrender for registration of transfer of any Debenture at the office or agency of the Company designated for that purpose the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Debentures of the same series of any authorized denominations, of a like aggregate principal amount, of the same Original Issue Date and Stated Maturity and having the same terms.

At the option of the Holder, Debentures may be exchanged for other Debentures of the same series of any authorized denominations, of a like aggregate principal amount, of the same Original Issue Date and Stated Maturity and having the same terms, upon surrender of the Debentures to be exchanged at such office or agency. Whenever any Debentures are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Debentures which the Holder making the exchange is entitled to receive.

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

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

No service charge shall be made to a Holder for any transfer or exchange of Debentures, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Debentures.

Notwithstanding any of the foregoing, any Global Debenture of a series shall be exchangeable pursuant to this Section 3.05 for Debentures registered in the names of Persons

other than the Depositary for such Debenture or its nominee only if (a) such Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Debenture or if at any time such Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, (b) the Company executes and delivers to the Trustee a Company Order that such Global Debenture shall be so exchangeable or (c) there shall have occurred and be continuing an Event of Default with respect to the Debentures of such series. Any Global Debenture that is exchangeable pursuant to the preceding sentence shall be exchangeable for Debentures registered in such names as such Depositary shall direct.

Notwithstanding any other provisions in this Indenture, a Global Debenture may not be transferred except as a whole by the Depositary with respect to such Global Debenture to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary.

Neither the Company nor the Trustee shall be required, pursuant to the provisions of this Section, (a) to issue, transfer or exchange any Debenture of any series during a period beginning at the opening of business 15 days before the day of selection for redemption of Debentures pursuant to Article Eleven and ending at the close of business on the day of mailing of notice of redemption or (b) to transfer or exchange any Debenture so selected for redemption in whole or in part, except, in the case of any Debenture to be redeemed in part, any portion thereof not to be redeemed.

SECTION 3.06. Mutilated, Destroyed, Lost and Stolen Debentures. If any mutilated Debenture is surrendered to the Trustee together with such security or indemnity as may be required by the Company or the Trustee to save each of them harmless, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Debenture of the same issue and series of like tenor and principal amount, having the same Original Issue Date and Stated Maturity and bearing the same Interest Rate as such mutilated Debenture, and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and to the Trustee (a) evidence to their satisfaction of the destruction, loss or theft of any Debenture, and (b) such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Company or the Trustee that such Debenture has been acquired by a bona fide purchaser, the issuing Company shall execute and upon its request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Debenture, a new Debenture of the same issue and series of like tenor and principal amount, having the same Original Issue Date and Stated Maturity and bearing the same Interest Rate as such destroyed, lost or stolen Debenture, and bearing a number not contemporaneously outstanding.

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

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

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

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

SECTION 3.07. Payment of Interest; Interest Rights Preserved.

Interest on any Debenture of any series which is payable, and is punctually paid or duly provided for, on any Interest Payment Date, shall be paid to the Person in whose name that Debenture (or one or more Predecessor Debentures) is registered at the close of business on the Regular Record Date for such interest in respect of Debentures of such series, except that, unless otherwise provided in the Debentures of such series, interest payable on the Stated Maturity of a Debenture shall be paid to the Person to whom principal is paid. The initial payment of interest on any Debenture of any series which is issued between a Regular Record Date and the related Interest Payment Date shall be payable as provided in the Establishing Documents pursuant to Section 3.01 with respect to the related series of Debentures.

Any interest on any Debenture which is payable, but is not timely paid or duly provided for, on any Interest Payment Date for Debentures of such series (herein called "Defaulted Interest"), shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Debentures of such series in respect of which interest is in default (or their respective Predecessors Debentures) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Debenture and the date

of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class, postage prepaid, to each Holder of a Debenture of such series at the address of such Holder as it appears in the Securities Register not less than 10 days prior to such Special Record Date. The Trustee shall in the name and at the expense of the Company, cause a similar notice to be published at least once in a newspaper, customarily published in the English language on each Business Day and of general circulation in the Borough of Manhattan, the City of New York, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Debentures of such series (or their respective Predecessor Debentures) are registered on such Special Record Date and shall no longer be payable pursuant to the following clause (b).

(b) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Debentures of the series in respect of which interest is in default may be listed and, upon such notice as may be required by such exchange (or by the Trustee if the Debentures are not listed), if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause, such payment shall be deemed practicable by the Trustee.

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

SECTION 3.08. Persons Deemed Owners. The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name any Debenture is registered as the owner of such Debenture for the purpose of receiving payment of principal of and (subject to Section 3.07) interest on such Debenture and for all other purposes whatsoever, whether or not such Debenture be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 3.09. Cancellation. All Debentures surrendered for payment, redemption, conversion, transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee, and any such Debentures and Debentures surrendered directly to the Trustee for any such purpose shall be promptly canceled by it. The Company may at any time deliver or cause to be delivered to the Trustee for cancellation any Debentures previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Debentures so delivered shall be promptly canceled by the Trustee. No Debentures shall be authenticated in lieu of or in exchange for any Debentures canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Debentures shall be destroyed by the Trustee and upon request, the Trustee shall deliver to the Company a certificate of such destruction.

SECTION 3.10. Computation of Interest. Except as otherwise specified as contemplated by Section 3.01 for Debentures of any series, interest on the Debentures of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 3.11. Deferrals of Interest Payment Dates. If specified as contemplated by Section 3.01 with respect to the Debentures of a particular series, the Company shall have the right, at any time during the term of such series, from time to time to extend the interest payment period for such Debentures for such period or periods as may be specified as contemplated by Section 3.01 (each, an "Extension Period"), during which periods the Company shall have the right not to make payments of interest on any Interest Payment Date, and at the end of such Extension Period the Company shall pay all interest then accrued and unpaid thereon (together with Additional Interest thereon, if any, at the rate specified for the Securities of such series to the extent permitted by applicable law); provided, however, that during any such Extension Period, the Company shall not, and shall cause any Subsidiary not to, (a) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Company's outstanding capital stock, (b) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank pari passu with or junior in interest to the Debentures of such series or make any guarantee payments with respect to any guarantee by the Company of the debt securities of any Subsidiary if such guarantee ranks pari passu or junior in interest to the Debentures or (c) cause the Conversion Rights, if any, of the Holders of the Debentures to expire (other than (i) dividends or distributions in common stock of the Company, (ii) redemptions or purchases of any rights pursuant to the Company's Shareholders Rights Plan, or any successor to such Shareholders Rights Plan, and the declaration of a dividend of such rights in the future, (iii) payments under the Texas Instruments Guarantee, (iv) purchases of Texas Instruments Common Stock related to the issuance of Texas Instruments Common Stock under any of the Company's benefit plans for its directors, officers or employees and (v) purchases of Texas Instruments Common Stock required to prevent loss or secure the renewal or reinstatement of any government license or franchise held by the Company or the Subsidiaries). Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that

such Extension Period together with all such previous and further extensions of such Extension Period shall not exceed the period or periods so specified or extend beyond the Maturity of such Debentures. Upon termination of any Extension Period and upon the payment of all accrued and unpaid interest and any Additional Interest then due, the Company may select a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. The Company shall give the Holders of the Debentures of such series and the Trustee notice of its selection of such Extension Period at least one Business Day prior to the Interest Payment Date or, with respect to the Debentures of a series issued to the Texas Instruments Trust, prior to the earlier of (i) the date the Distributions on the Preferred Securities of the Texas Instruments Trust are payable or (ii) the date the Property Trustee of the Texas Instruments Trust is required to give notice to the New York Stock Exchange or other applicable self-regulatory organization or to holders of such Preferred Securities of the record date or the date such Distributions are payable, but in any event not less than one Business Day prior to such record date.

The Trustee shall promptly give notice of the Company's selection of such Extension Period to the Holders of the outstanding Debentures of such series.

SECTION 3.12. Right of Set-off. With respect to the Debentures of a series issued to the Texas Instruments Trust, notwithstanding anything to the contrary in the Indenture, the Company shall have the right to set-off any payment it is otherwise required to make thereunder in respect of any such Debenture to the extent the Company has theretofore made, or is concurrently on the date of such payment making, a payment relating to such Debenture under the Texas Instruments Guarantee.

SECTION 3.13. Agreed Tax Treatment. Each Debenture issued hereunder shall provide that the Company and, by its acceptance of a Debenture or a beneficial interest therein, the Holder of, and any Person that acquires a beneficial interest in, such Debenture agree that for United States Federal, state and local tax purposes it is intended that such Debenture constitute indebtedness.

SECTION 3.14. Cusip Numbers. The Company in issuing the Debentures may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Debentures or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Debentures, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE 4

SATISFACTION AND DISCHARGE

SECTION 4.01. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect (except as to (i) any surviving rights of transfer, substitution and exchange of Debentures, (ii) rights hereunder of Holders to receive payments of principal of (and premium, if any) and interest on the Debentures and other rights, duties and obligations of the Holders as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (iii) the rights and obligations of the Trustee hereunder), and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(i) all Debentures theretofore authenticated and delivered (other than (i) Debentures which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.06 and (ii) Debentures for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 10.03) have been delivered to the Trustee for cancellation; or

(ii) all such Debentures not theretofore delivered to the Trustee for cancellation

(A) have become due and payable, or

(B) will become due and payable at their Stated Maturity within one year of the date of deposit, and the Company, in the case of (i) or (ii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose an amount in the currency or currencies in which the Debentures of such series are payable sufficient to pay and discharge the entire indebtedness on such Debentures not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest (including any Additional Interest) to the date of such deposit (in the case of Debentures which have become due and payable) or to the Stated Maturity;

(C) have been tendered for conversion;

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

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

SECTION 4.02. Application of Trust Money. Subject to the provisions of the last paragraph of Section 10.03, all money deposited with the Trustee pursuant to Section 4.01 or money or Government Obligations deposited with the Trustee pursuant to Section 4.03, or received by the Trustee in respect of Government Obligations deposited with the Trustee pursuant to Section 4.03, shall be held in trust and applied by it, in accordance with the provisions of the Debentures and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or obligations have been deposited with or received by the Trustee; provided, however, such moneys need not be segregated from other funds except to the extent required by law.

SECTION 4.03. Satisfaction, Discharge and Defeasance of Debentures of Any Series. Unless otherwise provided in the Establishing Documents, the Company shall be deemed to have paid and discharged the entire indebtedness on all the Outstanding Debentures of any such series and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of such indebtedness, when

(a) with respect to all Outstanding Debentures of such series,

(i) the Company has irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds in trust for such purpose an amount sufficient to pay and discharge the entire indebtedness on all Outstanding Debentures of such series for principal (and premium, if any) and interest (including any Additional Interest) to the Stated Maturity or any Redemption Date as contemplated by the penultimate paragraph of this Section 4.03, as the case may be; or

(ii) the Company has irrevocably deposited or caused to be irrevocably deposited with the Trustee as obligations in trust for such purpose an amount of Government Obligations as will, in the written opinion of independent public accountants delivered to the Trustee, together with predetermined and certain income to accrue thereon, without consideration of any reinvestment thereof, be

sufficient to pay and discharge when due the entire indebtedness on all Outstanding Debentures of such series for principal (and premium, if any) and interest (including any Additional Interest) to the Stated Maturity or any Redemption Date as contemplated by the penultimate paragraph of this Section 4.03, as the case may be; and

(b) the Company has paid or caused to be paid all other sums payable with respect to the Outstanding Debentures of such series; and

(c) The Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of the entire indebtedness on all Outstanding Debentures of any such series have been complied with.

Any deposits with the Trustee referred to in Section 4.03(a) above shall be irrevocable and shall be made under the terms of an escrow trust agreement in form and substance reasonably satisfactory to the Trustee. If any Outstanding Debentures of such series are to be redeemed prior to their Stated Maturity, whether pursuant to any optional redemption provisions or in accordance with any mandatory sinking fund requirement, the applicable escrow trust agreement shall provide therefor and the Company shall make such arrangements as are satisfactory to the Trustee for the selection of Debentures for Redemption and the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company. If the Debentures of such series are not to become due and payable at their Stated Maturity or upon call for redemption within one year of the date of deposit, then the Company shall give, not later than the date of such deposit, notice of such deposit to the Holders of Debentures of such series.

Upon the satisfaction of the conditions set forth in this Section 4.03 with respect to all the Outstanding Debentures of any series, the terms and conditions of such series, including the terms and conditions with respect thereto set forth in this Indenture, shall no longer be binding upon, or applicable to, the Company; provided, that the Company shall not be discharged from any payment obligations in respect of Debentures of such series which are deemed not to be Outstanding under clause (iii) of the definition thereof if such obligations continue to be valid obligations of the Company under applicable law.

ARTICLE 5

REMEDIES

SECTION 5.01. Events of Default. "Event of Default", wherever used herein with respect to the Debentures of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest upon any Debenture of that series, including any Additional Interest in respect thereof, when it becomes due and payable, and continuance of such default for a period of 30 days (subject to the deferral of any due date in the case of an Extension Period); or

(b) default in the payment of the principal of (or premium, if any, on) any Debenture of that series at its Maturity; or

(c) failure on the part of the Company duly to observe or perform in any material respect any other of the covenants or agreements on the part of the Company with respect to that series contained in such Debentures or otherwise established with respect to that series of Debentures pursuant to Section 3.01 hereof or contained in this Indenture (other than a covenant or agreement which has been expressly included in this Indenture solely for the benefit of one or more series of Debentures other than such series) and continuance for such failure for a period of 90 days after the date on which written notice of such failure, requiring the same to be remedied and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee, by registered or certified mail, or to the Company and the Trustee by a Holder or Holders of at least 25% in aggregate principal amount of the Debentures of that series at the time Outstanding or the holder or holders of at least 25% in aggregate liquidation preference of Preferred Securities of the series related to such series of Debentures;

(d) if applicable to the Debentures of that series, failure by the Company to issue the Texas Instruments Common Stock upon an election by the Holder or Holders of such Debentures to convert such Debentures into shares of Texas Instruments Common Stock;

(e) the entry of a decree or order by a court having jurisdiction in the premises adjudging the Company as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjudication or composition of or in respect of the Company under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property or

ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) the institution by the Company of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due and its willingness to be adjudicated as bankrupt, or the taking of corporate action by the Company in furtherance of any such action; or

(g) any other Event of Default as set forth in the Establishing Documents with respect to Debentures of that series.

SECTION 5.02. Acceleration of Maturity; Rescission and Annulment. If an Event of Default with respect to Debentures of any series at the time Outstanding occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debentures of that series may declare the principal amount (or, if the Debentures of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all the Debentures of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), provided that, in the case of the Debentures of a series issued to the Texas Instruments Trust, if upon an Event of Default, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debentures of that series fail to declare the principal of all the Debentures of that series to be immediately due and payable, the holders of at least 25% in aggregate liquidation amount of the corresponding series of Preferred Securities then outstanding shall have such right by a notice in writing to the Company and the Trustee; and upon any such declaration such principal amount (or specified amount) of and the accrued interest (including any Additional Interest) on all the Debentures of such series shall become immediately due and payable, provided that the payment of principal and interest (including any Additional Interest) on such Debentures shall remain subordinated to the extent provided in Article Thirteen.

At any time after such a declaration of acceleration with respect to Debentures of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Debentures of that series, or the holders of a least 25% in aggregate liquidation amount of the corresponding series of Preferred Securities then

outstanding, as the case may be, by written notice to the Company and the Trustee may rescind and annul such declaration and its consequences if:

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

(A) all overdue installments of interest (including any Additional Interest) on all Debentures of that series,

(B) the principal of (and premium, if any, on) any Debentures of that series which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Debentures, and

(C) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(ii) all Events of Default with respect to Debentures of that series, other than the non-payment of the principal of Debentures of that series which has become due solely by such acceleration, have been cured or waived as provided in Section 5.13.

The holders of a majority in aggregate liquidation preference of the Preferred Securities may, on behalf of the holders of all the Preferred Securities, waive any past Event of Default, except an Event of Default described in Sections 5.01(a) and 5.01(b) (unless such Event of Default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Trustee) or an Event of Default in respect of a covenant or provision which under this Indenture cannot be modified or amended without the consent of the holder of each outstanding Debenture. No such rescission or waiver shall affect any subsequent default or impair any right consequent thereon.

Upon receipt by the Trustee of written notice declaring such an acceleration, or rescission and annulment thereof, with respect to Debentures of a series all or part of which is represented by a Global Debenture, a record date shall be established for determining Holders of Outstanding Debentures of such series entitled to join in such notice, which record date shall be at the close of business on the day the Trustee receives such notice. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; provided, that, unless such declaration of acceleration, or rescission and annulment, as the case may be, shall have become effective by virtue of the requisite percentage having joined in such notice prior to the day which is 90 days after such record date, such notice of declaration of acceleration, or rescission and annulment, as the case may be, shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, after expiration of such 90-day period, a new written notice of declaration of acceleration, or rescission and annulment thereof, as the case may be, that is identical to a written notice which has been canceled pursuant to the proviso to the preceding sentence, in which event a new record date shall be established pursuant to the provisions of this Section 5.02.

SECTION 5.03. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if:

(a) default is made in the payment of any installment of interest (including any Additional Interest) on any Debenture when such interest becomes due and payable and such default continues for a period of 30 days, or

(b) default is made in the payment of the principal of (and premium, if any, on) any Debenture at the Maturity thereof,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Debentures, the whole amount then due and payable on such Debentures for principal, including any sinking fund payment or analogous obligations (and premium, if any) and interest (including any Additional Interest), including, to the extent that payment of such interest shall be lawful, interest on any overdue principal (and premium, if any) and on any overdue installments of interest (including any Additional Interest) at the rate borne by the Debentures; and, in addition thereto, all amounts owing the Trustee under Section 6.07.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgement or final decree, and may enforce the same against the Company or any other obligor upon the Debentures and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon the Debentures, wherever situated.

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

SECTION 5.04. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Debentures or the property of the Company or of such other obligor or their creditors:

(a) the Trustee (irrespective of whether the principal of the Debentures of any series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue

principal (and premium, if any) or interest (including any Additional Interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest (including any Additional Interest) owing and unpaid in respect to the Debentures and to file such other papers or documents as may be necessary or advisable and to take any and all actions as are authorized under the Trust Indenture Act in order to have the claims of the Trustee and any predecessor to the Trustee under Section 6.07 and of the Holders allowed in any such judicial proceedings;

(ii) and in particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same in accordance with Section 5.06; and

(b) any custodian, receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee for distribution in accordance with Section 5.06, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it and any predecessor Trustee under Section 6.07.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Debentures or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding; provided, however, that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' or other similar committee.

SECTION 5.05. Trustee May Enforce Claim Without Possession of Debentures. All rights of action and claims under this Indenture or the Debentures may be prosecuted and enforced by the Trustee without the possession of any of the Debentures or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgement shall, after provision for the payment of all the amounts owing the Trustee and any predecessor Trustee under Section 6.07, its agents and counsel, be for the ratable benefit of the Holders of the Debentures in respect of which such judgement has been recovered.

SECTION 5.06. Application of Money Collected. Any money or property collected or to be applied by the Trustee with respect to a series of Debentures pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money or property on account of principal (or premium, if any) or interest

(including any Additional Interest), upon presentation of the Debentures and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee and any predecessor Trustee under Section 6.07;

SECOND: To the payment of the amounts then due and unpaid upon such series of Debentures for principal (and premium, if any) and interest (including any Additional Interest), in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such series of Debentures for principal (and premium, if any) and interest (including any Additional Interest), respectively; and

THIRD: The balance, if any, to the Person or Persons entitled thereto.

SECTION 5.07. Limitation on Suits. No Holder of any Debentures of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or for the appointment of a receiver, assignee, trustee, liquidator, sequestrator (or other similar official) or for any other remedy hereunder, unless:

(a) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Debentures of that series;

(b) the Holders of not less than 25% in principal amount of the Outstanding Debentures of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(c) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Debentures of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Debentures, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all such Holders.

SECTION 5.08. Unconditional Right of Holders to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and (subject to Section 3.07) interest (including any Additional Interest) on such Security on the respective Stated Maturities expressed in such Security and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder. For so long as any Preferred Securities remain Outstanding, to the fullest extent permitted by law and subject to the terms of this Indenture and the Trust Agreement, upon an Event by Default specified in Section 5.01 or 5.02, any holder of Preferred Securities shall have the right to institute a proceeding directly against the Company, for enforcement of payment to such holder of the principal amount of or interest on Debentures having a principal amount equal to the liquidation preference of the Preferred Securities of such holder (a "Direct Action"). In connection with any such Direct Action, the rights of the holders of the Common Securities will be subrogated to the rights of any holder of the Preferred Securities to the extent of any payment made by the Company to such holder of Preferred Securities as a result of such Direct Action. Except as set forth in this Section, the holders of Preferred Securities shall have no right to exercise directly any right or remedy available to the Holders of, or in respect of, the Debentures.

SECTION 5.09. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 5.10. Rights and Remedies Cumulative. Except as otherwise provided in the last paragraph of Section 3.06, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11. Delay or Omission Not Waiver. Except as otherwise provided in the last paragraph of Section 3.06, no delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein.

Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 5.12. Control by Holders. The Holders of a majority in principal amount of the Outstanding Debentures of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, with respect to the Debentures of such series, provided that:

(a) such direction shall not be in conflict with any rule of law or with this Indenture,

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(c) subject to the provisions of Section 6.01, the Trustee shall have the right to decline to follow such direction if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceeding so directed would be unjustly prejudicial to the Holders not joining in any such direction or would involve the Trustee in personal liability.

Upon receipt by the Trustee of any written notice directing the time, method or place of conducting any such proceeding or exercising any such trust or power, with respect to Debentures of a series all or part of which is represented by a Global Security, a record date shall be established for determining Holders of Outstanding Debentures of such series entitled to join in such notice, which record date shall be at the close of business on the day the Trustee receives such notice. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; provided, that, unless the Holders of a majority in principal amount of the Outstanding Debentures of such series shall have joined in such notice prior to the day which is 90 days after such record date, such notice shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, after expiration of such 90-day period, a new notice identical to a notice which has been canceled pursuant to the proviso to the preceding sentence, in which event a new record date shall be established pursuant to the provisions of this Section 5.12.

SECTION 5.13. Waiver of Past Defaults. The Holders of not less than a majority in principal amount of the Outstanding Debentures of any series may on behalf of the Holders of all the Debentures of such series waive any past default hereunder with respect to such series and its consequences, except a default:

(a) in the payment of the principal of (or premium, if any) or interest (including any Additional Interest) on any Debenture of such series, or

(b) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Debenture of such series affected.

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

SECTION 5.14. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Debenture by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Debentures of any series, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest (including any Additional Interest) on any Debenture on or after the respective Stated Maturities expressed in such Debenture.

SECTION 5.15. Waiver of Usury, Stay or Extension Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 6

THE TRUSTEE

SECTION 6.01. Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default.

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

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

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

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

(i) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

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

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of Holders pursuant to Section 5.12 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Debentures of such series.

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

(e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 6.02. Notice of Defaults. Within 90 days after actual knowledge by a Responsible Officer of the Trustee of the occurrence of any default hereunder with respect to the Debentures of any series, the Trustee shall transmit by mail to all Holders of Debentures of such series, as their names and addresses appear in the Securities Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest (including any Additional Interest) on any Debenture of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of Debentures of such series; and provided, further, that, except in the case of any default of the character specified in Section 5.01(c), no such notice to Holders of Debentures of such series shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Debentures of such series.

SECTION 6.03. Certain Rights of Trustee. Subject to the provisions of Section 6.01:

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

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

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

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

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

Indenture, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, indenture, Debenture or other paper or document, but the Trustee in its discretion may make such inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney; and

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

SECTION 6.04. Not Responsible for Recitals or Issuance of Debentures. The recitals contained herein and in the Debentures, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Debentures. The Trustee shall not be accountable for the use or application by the Company of the Debentures or the proceeds thereof.

SECTION 6.05. May Hold Debentures. The Trustee, any Paying Agent, Securities Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Debentures and, subject to Sections 6.08 and 6.13, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Paying Agent, Securities Registrar or such other agent.

SECTION 6.06. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability of interest on any money received by it hereunder except as otherwise agreed with the Company.

SECTION 6.07. Compensation and Reimbursement. The Company agrees

(a) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder in such amounts as the Company and the Trustee shall agree from time to time (which compensation shall be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expenses, disbursements or advances as may be attributable to its negligence or bad faith; and

(c) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense (including the reasonable compensation and the expenses and disbursements of its agents and counsel) incurred without negligence or bad faith, arising out of or in connection with the acceptance or administration of this trust or the performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. This indemnification shall survive the termination of this Agreement.

To secure the Company's payment obligations in this Section, the Company and the Holders agree that the Trustee shall have a lien prior to the Debentures on all money or property held or collected by the Trustee. Such lien shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 5.01(e) or (f) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Reform Act of 1978 or a successor statute.

SECTION 6.08. Disqualification; Conflicting Interests. The Trustee for the Debentures of any series issued hereunder shall be subject to the provisions of Section 310(b) of the Trust Indenture Act. Nothing herein shall prevent the Trustee from filing with the Commission the application referred to in the second to last paragraph of Section 310(b) of the Trust Indenture Act. The Trust Agreement and the Texas Instruments Guarantee shall be deemed to be specifically described in this Indenture for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

SECTION 6.09. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be

(a) a corporation organized and doing business under the laws of the United States of America or of any State, Territory or the District of Columbia, authorized under such laws to exercise corporate trust powers and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority, or

(b) a corporation or other Person organized and doing business under the laws of a foreign government that is permitted to act as Trustee pursuant to a rule, regulation or order of the Commission, authorized under such laws to exercise corporate trust powers, and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees,

in either case having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by Federal or State authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then, to the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article. Neither the Company nor any Person directly or indirectly controlling, controlled by or under common control with the Company shall serve as Trustee for the Debentures of any series issued hereunder.

SECTION 6.10. Resignation and Removal; Appointment of Successor.

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

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

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

(d) If at any time:

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

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

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

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

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause with respect to the Debentures of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee with respect to the Debentures of that or those series. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Debentures of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Debentures of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to the Debentures of such series and supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Debentures of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Debenture for at least six months may, subject to Section 5.14, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Debentures of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Debentures of any series and each appointment of a successor Trustee with respect to the Debentures of any series by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Debentures of such series as their name and addresses appear in the Securities Register. Each notice shall include the name of the successor Trustee with respect to the Debentures of such series and the address of its Corporate Trust Office.

SECTION 6.11. Acceptance of Appointment by Successor. (a) In case of the appointment hereunder of a successor Trustee with respect to all Debentures, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign,

transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Debentures of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Debentures of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (i) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Debentures of that or those series to which the appointment of such successor Trustee relates, (ii) if the retiring Trustee is not retiring with respect to all Debentures, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Debentures of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (iii) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trust hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of the trust hereunder separate and apart from the trust hereunder administered by any other such Trustee and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties of the retiring trustee with respect to the Debentures of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Debentures of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all rights, powers and trusts referred to in paragraph (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 6.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the

execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Debentures shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Debentures so authenticated, and in case any Debentures shall not have been authenticated, any successor to the Trustee may authenticate such Debentures either in the name of any predecessor Trustee or in the name of such successor Trustee, and in all cases the certificate of authentication shall have the full force which it is provided anywhere in the Debentures or in this Indenture that the certificate of the Trustee shall have.

SECTION 6.13. Preferential Collection of Claims Against Company. If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Debentures), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

SECTION 6.14. Appointment of Authenticating Agent. The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Debentures which shall be authorized to act on behalf of the Trustee to authenticate Debentures of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof, and Debentures so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Debentures by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, or of any State, Territory or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of an Authenticating Agent shall be the successor Authenticating Agent hereunder, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give notice of such appointment in the manner provided in Section 1.06 to all Holders of Debentures of the series with respect to which such Authenticating Agent will serve. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provision of this Section.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 6.07.

If an appointment with respect to one or more series is made pursuant to this Section, the Debentures of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

This is one of the Debentures referred to in the within mentioned indenture.

As Trustee

By: -----
As Authenticating Agent

By: -----
Authorized Officer

HOLDERS LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 7.01. Company to Furnish Trustee Names and Addresses of Holders. The Company will furnish or cause to be furnished to the Trustee:

(a) semi-annually, not more than 15 days after January 1 and July 1, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such January 1 and July 1, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished, excluding from any such list names and addresses received by the Trustee in its capacity as Securities Registrar.

SECTION 7.02. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 7.01 and the names and addresses of Holders received by the Trustee in its capacity as Securities Registrar. The Trustee may destroy any list furnished to it as provided in Section 7.01 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Debentures, and the corresponding rights and privileges of the Trustee, shall be as provided in the Trust Indenture Act.

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

SECTION 7.03. Reports by Trustee. (a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act, at the times and in the manner provided pursuant thereto.

(b) Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than July 15 in each calendar year, commencing with the first July 15 after the first issuance of Debentures under this Indenture.

(c) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange or self regulatory organization upon which the

Debentures are listed and also with the Commission. The Company will notify the Trustee whenever the Debentures are listed on any stock exchange or self-regulatory organization.

SECTION 7.04. Reports by Company. The Company shall file with the Trustee and with the Commission, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided in the Trust Indenture Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 shall be filed with the Trustee within 15 days after the same is required to be filed with the Commission. Notwithstanding that the Company may not be required to remain subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company shall continue to file with the Commission and provide the Trustee and Holders with the annual reports and the information, documents and other reports which are specified in Sections 13 and 15(d) of the Securities Exchange Act of 1934. The Company also shall comply with the other provisions of Trust Indenture Act Section 314(a).

ARTICLE 8

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

SECTION 8.01. Company May Consolidate, Etc., Only on Certain Terms. The Company shall not consolidate with or merge into any other corporation or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and no Person shall consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

(a) in case the Company shall consolidate with or merge into another corporation or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America or any State or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest (including any Additional Interest) on all the Debentures and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

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

(c) in the case of the Debentures of a series issued to the Texas Instruments Trust, such consolidation, merger, conveyance, transfer or lease is permitted under the Trust Agreement and Texas Instruments Guarantee and does not give rise to any breach of violation of the Trust Agreement or Texas Instruments Guarantee; and

(d) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance, transfer or lease and any such supplemental indenture complies with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with; and the Trustee, subject to Section 6.01, may rely upon such Officers' Certificate and Opinion of Counsel as conclusive evidence that such transaction complies with this Section 8.01.

SECTION 8.02. Successor Corporation Substituted. Upon any consolidation or merger by the Company with or into any other corporation, or any conveyance, transfer or lease by the Company of its properties and assets substantially as an entirety to any Person in accordance with Section 8.01, the successor corporation formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein; and in the event of any such conveyance, transfer or lease the Company shall be discharged from all obligations and covenants under the Indenture and the Debentures and may be dissolved and liquidated.

Such successor corporation may cause to be signed, and may issue either in its own name or in the name of the Company, any or all of the Debentures issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Debentures which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication pursuant to such provisions and any Debentures which such successor corporation thereafter shall cause to be signed and delivered to the Trustee on its behalf for the purpose pursuant to such provisions. All the Debentures so issued shall in all respects have the same legal rank and benefit under this Indenture as the Debentures theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Debentures had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, conveyance or lease, such changes in phraseology and form may be made in the Debentures thereafter to be issued as may be appropriate.

ARTICLE 9

SUPPLEMENTAL INDENTURES

SECTION 9.01. Supplemental Indentures Without Consent of Holders.

Without the consent of or notice to any Holder, the Company, when authorized by the Establishing Documents, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

- (a) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Debentures contained; or
- (b) to convey, transfer, assign, mortgage or pledge any property to or with the trustee or to surrender any right or power herein conferred upon the Company; or
- (c) to establish the form or terms of Debentures of any series as permitted by Sections 2.01 or 3.01; or
- (d) to add to covenants of the Company for the benefit of the Holders of all or any series of Debentures (and if such covenants are to be for the benefit of less than all series of Debentures, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or
- (e) to add any additional Events of Default; or
- (f) to add, change or eliminate any of the provisions of this Indenture, provided that any such change or elimination shall become effective only when there is no Debenture Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision; or
- (g) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided that such action pursuant to this clause (g) shall not materially adversely affect the interest of the Holders of Debentures of any series or, in the case of the Debentures of a series issued to the Texas Instruments Trust and for so long as any of the corresponding series of Preferred Securities shall remain outstanding, the holders of such Preferred Securities; or
- (h) to evidence and provide for the acceptance of appointment hereunder by successor Trustee with respect to the Debentures of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or

facilitate the administration of the Trust hereunder by more than one Trustee, pursuant to the requirements of Section 6.11(b);

(i) to comply with the requirements of the Commission in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act; or

(j) to make provision with respect to the conversion or exchange rights of the Holders of any series of Debentures pursuant to the requirements of the Establishing Documents.

SECTION 9.02. Supplemental Indentures with Consent of Holders. With the consent of the Holders of not less than a majority in principal amount of the Outstanding Debentures of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Debentures of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Debenture affected thereby,

(a) except to the extent permitted by Section 3.11 or as otherwise specified as contemplated by Section 3.01 with respect to the extension of the interest payment period of the Debentures of any series, change the Stated Majority of the principal of, or any installment of interest (including any Additional Interest) on, any Debenture, or reduce the principal amount thereof or the rate of interest thereon or reduce any premium payable upon the redemption thereof, or reduce the amount of principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02, or change the place of payment where, or the coin or currency in which, any Debenture or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the date fixed for redemption thereof); or

(b) adversely affect any right to convert or exchange any Debenture or modify the provisions of this Indenture with respect to the subordination of the Debentures in a manner adverse to such Holder; or

(c) reduce the percentage in principal amount of the Outstanding Debentures of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain

provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture; or

(d) modify any of the provisions of this Section, Section 5.13 or Section 10.06, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Debenture affected thereby; or

(e) modify the provisions in Article Thirteen of this Indenture with respect to the subordination of Outstanding Debentures of any series in a manner adverse to the Holders thereof;

provided that, in the case of the Debentures of a series issued to the Texas Instruments Trust, so long as any of the corresponding series of Preferred Securities remains outstanding, no such amendment shall be made that adversely affects the holders of such Preferred Securities, and no termination of this Indenture shall occur, and no waiver of any Event of Default or compliance with any covenant under this Indenture shall be effective, without the prior consent of the holders of at least a majority of the aggregate liquidation preference of such Preferred Securities then outstanding unless and until the principal (and premium, if any) of the Debentures of such series and all accrued and unpaid interest (including any Additional Interest) thereon have been paid in full.

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

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

SECTION 9.03. Execution of Supplemental Indentures. In executing or accepting the additional trusts created by any supplemental indenture permitted by this Article or the modifications thereby of the trust created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 6.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture, and that all conditions precedent have been complied with. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.04. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Debentures theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 9.05. Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 9.06. Reference in Debentures to Supplemental Indentures. Debentures authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Debentures of any series so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Debentures of such series.

ARTICLE 10

COVENANTS

SECTION 10.01. Payment of Principal, Premium and Interest. The Company covenants and agrees for the benefit of each series of Debentures that it will duly and punctually pay the principal of (and premium, if any) and interest on the Debentures of that series in accordance with the terms of such Debentures and this Indenture.

SECTION 10.02. Maintenance of Office or Agency. The Company will maintain in each Place of Payment for any series, an office or agency where Debentures of that series may be presented or surrendered for payment and an office or agency where Debentures may be surrendered for transfer or exchange and where notices and demands to or upon the Company in respect of the Debentures and this Indenture may be served. The Company initially appoints the Trustee, acting through its Corporate Trust Office, as its agent for said purposes. The Company will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Company shall fail to maintain such office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where the Debentures may be presented or surrendered for any or all of such purposes, and may

from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Debentures of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation and any change in the location of any such office or agency.

SECTION 10.03. Money for Debenture Payments to Be Held in Trust. If the Company shall at any time act as its own Paying Agent with respect to any series of Debentures, it will, on or before each due date of the principal of (and premium, if any) or interest on any of the Debentures of such series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal (and premium, if any) or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify the Trustee of its failure so to act.

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

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

- (a) hold all sums held by it for the payment of the principal of (and premium, if any) or interest on Debentures in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (b) give the Trustee notice of any default by the Company (or any other obligor upon the Debentures) in the making of any payment of principal (and premium, if any) or interest;
- (c) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent; and
- (d) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any

Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by the Company or any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

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

SECTION 10.04. Payment of Taxes and Other Claims. The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (a) all taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (b) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company or any Subsidiary; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

SECTION 10.05. Statement as to Compliance. The Company shall deliver to the Trustee, within 120 days after the end of each calendar year of the Company ending after the date hereof, an Officers' Certificate (signed by at least one of the officers referred to in Section 314(a)(4) of the Trust Indenture Act) covering the preceding calendar year, stating whether or not to the best knowledge of the signers thereof the Company is in default in the performance, observance or fulfillment of or compliance with any of the terms, provisions, covenants and conditions of this Indenture, and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge. For the purpose of this Section 10.05,

compliance shall be determined without regard to any grace period or requirement of notice provided pursuant to the terms of this Indenture.

SECTION 10.06. Waiver of Certain Covenants. The Company may omit in any particular instance to comply with any covenant or condition set forth in Section 10.04 or as specified as contemplated by Section 3.01 with respect to the Debentures of any series, if before or after the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Debentures of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company in respect of any such covenant or condition shall remain in full force and effect.

SECTION 10.07. Additional Sums. In the case of the Debentures of a series issued to the Texas Instruments Trust, except as otherwise specified as contemplated by Section 3.01, in the event that (a) the Property Trustee is the Holder of all of the Outstanding Debentures of such series, (b) a Tax Event in respect of the Texas Instruments Trust shall have occurred and be continuing and (c) the Company shall not have (i) redeemed the Debentures of such series pursuant to Section 11.07(b) or (ii) terminated the Texas Instruments Trust pursuant to Section 9.02(b) of the Trust Agreement, the Company shall pay to the Texas Instruments Trust (and its permitted successors or assigns under the Trust Agreement) for so long as the Property Trustee (or its permitted successor or assignee) is the registered Holder of any Debentures of such series, such additional amounts as may be necessary in order that the amount of distributions (including any Additional Amounts (as defined in the Trust Agreement)) then due and payable by the Texas Instruments Trust on the related Preferred Securities and Common Securities that at any time remain outstanding in accord with the terms thereof shall not be reduced as a result of any Additional Taxes (the "Additional Sums"); provided that, if this Indenture has not been qualified under the Trust Indenture Act, the Company shall not be required to pay such Additional Sums until this Indenture is so qualified. Whenever in this Indenture or the Debentures there is a reference in any context to the payment of principal of or interest on the Debentures, such mention shall be deemed to include mention of the payments of the Additional Sums provided for in this paragraph to the extent that, in such context, Additional Sums are, were or would be payable in respect thereof pursuant to the provisions of this paragraph and express mention of the payment of Additional Sums (if applicable) in any provisions hereof shall not be construed as excluding Additional Sums in those provisions hereof where such express mention is not made, provided, however, that the extension of an interest payment period pursuant to Section 3.11 or the Debentures shall not extend the payment of any Additional Sums that may be due and payable during such interest payment period.

SECTION 10.08. Additional Covenants. The Company covenants and agrees with each Holder of Debentures of a series issued to the Texas Instruments Trust that it will not, and it will not permit any Subsidiary to, (a) declare or pay any dividends or distributions on, or redeem,

purchase, acquire or make a liquidation payment with respect to, any of the Company's outstanding capital stock, (b) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank pari passu with or junior in interest to the Debentures of such series or make any guarantee payments with respect to any guarantee by the Company of the debt securities of any Subsidiary if such guarantee ranks pari passu or junior in interest to the Debentures or (c) cause the conversion rights, if any, of the Holders of the Debentures to expire (other than (i) dividends or distributions in common stock of the Company, (ii) redemptions or purchases of any rights pursuant to the Company's Shareholders Rights Plan, or any successor to such Shareholders Rights Plan, and the declaration of a dividend of such rights in the future, (iii) payments under the Texas Instruments Guarantee, (iv) purchases of Texas Instruments Common Stock related to the issuance of Texas Instruments Common Stock under any of the Company's benefit plans for its directors, officers or employees and (v) purchases of Texas Instruments Common Stock required to prevent loss or secure the renewal or reinstatement of any government license or franchise held by the Company or the Subsidiaries) if at such time (A) there shall have occurred any event of which the Company has actual knowledge that (1) with the giving of notice or the lapse of time or both, would constitute an Event of Default hereunder and (2) in respect of which the Company shall not have taken reasonable steps to cure, (B) the Company shall be in default with respect to its payment of any obligations under the Texas Instruments Guarantee or (C) the Company shall have given notice of its selection of an Extension Period as provided herein and shall not have rescinded such notice, or such period, or any extension thereof, shall be continuing.

The Company also covenants with each Holder of Debentures of a series issued to the Texas Instruments Trust (i) to maintain directly or indirectly 100% ownership of the Common Securities of the Texas Instruments Trust; provided, however, that any permitted successor of the Company hereunder may succeed to the Company's ownership of such Common Securities, (ii) not to voluntarily terminate, wind-up or liquidate the Texas Instruments Trust, except (a) in connection with a distribution of the Debentures of such series to the holders of Preferred Securities in liquidation of the Texas Instruments Trust or (b) in connection with certain mergers, consolidations or amalgamations permitted by the Trust Agreement and (iii) to use its reasonable efforts, consistent with the terms and provisions of the Trust Agreement, to cause the Texas Instruments Trust to remain a business trust and not to be classified as an association taxable as a corporation for United States Federal income tax purposes.

ARTICLE 11

REDEMPTION OF DEBENTURES

SECTION 11.01. Applicability of this Article. Redemption of Debentures (whether by operation of a sinking fund or otherwise) as permitted or required by any form of Debenture issued pursuant to this Indenture shall be made in accordance with such form of Debenture and this Article; provided, however, that if any provision of any such form of Debenture shall conflict with any provision of this Article, the provision of such form of Debenture shall govern. Except

as otherwise set forth in the form of Debenture for such series, each Debenture shall be subject to partial redemption only in the amount of \$50 or, in the case of the Debentures of a series issued to the Texas Instruments Trust, \$50, or integral multiples thereof.

SECTION 11.02. Election to Redeem; Notice to Trustee. The election of the Company to redeem any Debentures shall be evidenced by or pursuant to a Board Resolution. In case of any redemption at the election of the Company of less than all of the Debentures of any particular series and having the same terms, the Company shall, not less than 45 days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such date and of the principal amount of Debentures of that series to be redeemed. In the case of any redemption of Debentures prior to the expiration of any restriction on such redemption provided in the terms of such Debentures, the Company shall furnish the Trustee with an Officers' Certificate and an Opinion of Counsel evidencing compliance with such restriction.

SECTION 11.03. Selection of Debentures to Be Redeemed. If less than all the Debentures of any series are to be redeemed (unless all the Debentures of a specified tenor of such series are to be redeemed or unless such redemption affects only a single Debenture), the particular Debentures to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee from the Outstanding Debentures of such series; not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of a portion of the principal amount of any Debenture of such series; provided that the unredeemed portion of the principal amount of any Debenture shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Debenture. If less than all the Debentures of a specified tenor of such series are to be redeemed (unless such redemption affects only a single Debenture), the particular Debentures to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Debentures of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The Trustee shall promptly notify the Company in writing of the Debentures selected for partial redemption and the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Debentures shall relate, in the case of any Debenture redeemed or to be redeemed only in part, to the portion of the principal amount of such Debenture which has been or is to be redeemed. If the Company shall so direct, Debentures registered in the name of the Company, any Affiliate or any Subsidiary thereof shall not be included in the Debentures selected for redemption.

SECTION 11.04. Notice of Redemption. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not later than the thirtieth day, and not earlier than the sixtieth day, prior to the date fixed for redemption, to each Holder of Debentures to be redeemed, at the address of such Holder as it appears in the Securities Register.

With respect to Debentures of each series to be redeemed, each notice of redemption shall state:

- (a) the date fixed for redemption for Debentures of such series;
- (b) the redemption price at which Debentures of such series are to be redeemed;
- (c) if less than all Outstanding Debentures of such particular series and having the same terms are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the particular Debentures to be redeemed;
- (d) that on the date fixed for redemption, the redemption price at which such Debentures are to be redeemed will become due and payable upon each such Debenture or portion thereof, and that interest thereon, if any, shall cease to accrue on and after said date;
- (e) the place or places where such Debentures are to be surrendered for payment of the redemption price at which such Debentures are to be redeemed;
- (f) that the redemption is for a sinking fund, if such is the case; and
- (g) if the Debentures are convertible, that a Holder of Debentures who desires to convert Debentures called for redemption must satisfy the requirements for conversion contained in such Debentures, the then existing conversion price or rate, and the date and time when the option to convert shall expire.

Notice of redemption of Debentures to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company and shall be irrevocable. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, a failure to give such notice by mail or any defect in the notice to the Holder of any Debenture designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Debenture.

SECTION 11.05. Deposit of Redemption Price. Prior to the Redemption Date specified in the notice of redemption given as provided in Section 11.04, the Company will deposit with the Trustee or with one or more Paying Agents an amount of money sufficient to redeem on the Redemption Date all the Debentures so called for redemption at the applicable Redemption Price.

SECTION 11.06. Debentures Payable on Redemption Date. If notice of redemption has been given as provided in Section 11.04, the Debentures so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, together with any accrued interest (including any Additional Interest) thereon, and from and after such

date (unless the Company shall default in the payment of the Redemption Price or any accrued interest (including any Additional Interest)) such Debentures shall cease to bear interest. Upon surrender of any such Debenture for redemption in accordance with said notice, such Debenture shall be paid by the Company at the Redemption Price, together with any accrued interest (and any Additional Interest) to the Redemption Date; provided, however, that, except as may be otherwise provided with respect to Debentures convertible into another security in a supplemental indenture, Board Resolution or other instrument authorizing such Debentures, installments of interest on Debentures whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Debentures, or one of more Predecessor Debentures, registered as such at the close of business on the relevant Regular Record Dates or Special Record Dates, as the case may be, according to their terms and the provisions of Section 3.07.

If any Debenture called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Debenture.

SECTION 11.07. Company's Right of Redemption. (a) Unless otherwise specified as contemplated by Section 3.01 with respect to the Debentures of a particular series and notwithstanding any additional redemption rights that may be so specified, the Company may, at its option, redeem the Debentures of any series after their date of issuance in whole at any time or in part from time to time, subject to the provisions of this clause (a) and the other provisions of this Article Eleventh. Unless otherwise specified as contemplated by Section 3.01 with respect to the Debentures of a particular series, the redemption price for any Debenture so redeemed pursuant to this clause (a) shall be equal to 100% of the principal amount of such Debentures plus any accrued and unpaid interest, including any Additional Interest, to the date fixed for redemption. The Company shall not redeem the Debentures in part unless all accrued and unpaid interest (including any Additional Interest) has been paid in full on all Debentures Outstanding.

(b) In the case of the Debentures of a series issued to the Texas Instruments Trust, except as otherwise specified as contemplated by Section 3.01, if a Special Event in respect of the Texas Instruments Trust shall occur and be continuing, the Company may, at its option, redeem the Debentures of such series at any time within 90 days of the occurrence of such Special Event, in whole but not in part, subject to the provisions of this clause (b) and the other provisions of this Article Eleven. The redemption price for any Debenture so redeemed pursuant to this clause (b) shall be equal to 100% of the principal amount of such Debentures then Outstanding plus accrued and unpaid interest, including any Additional Interest, to the date fixed for redemption.

ARTICLE 12

SINKING FUNDS

SECTION 12.01. Applicability of Article. The provisions of this Article shall be applicable to any sinking fund for the retirement of Debentures of any series except as otherwise specified as contemplated by Section 3.01 of such Debentures.

The minimum amount of any sinking fund payment provided for by the terms of any Debentures of any series is herein referred to as a "mandatory sinking fund payment," and any sinking fund payment in excess of such minimum amount which is permitted to be made by the terms of such Debentures of any series is herein referred to as an "optional sinking fund payment." If provided for by the terms of any Debentures of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 12.02. Each sinking fund payment shall be applied to the redemption of Debentures of any series as provided for by the terms of such Debentures.

SECTION 12.02. Satisfaction of Sinking Fund Payments With Debentures .. In lieu of making all or any part of a mandatory sinking fund payment with respect to any Debentures of a series in cash, the Company may at its option, at any time no more than 16 months and no less than 30 days prior to the date on which such sinking fund payment is due, deliver to the Trustee Debentures of such series (together with the unmatured coupons, if any, appertaining thereto) theretofore purchased or otherwise acquired by the Company, except Debentures of such series that have been redeemed through the application of mandatory or optional sinking fund payments pursuant to the terms of the Debentures of such series, accompanied by a Company Order instructing the Trustee to credit such obligations and stating that the Debentures of such series were originally issued by the Company by way of bona fide sale or other negotiation for value; provided that the Debentures to be so credited have not been previously so credited. The Debentures to be so credited shall be received and credited for such purpose by the Trustee at the redemption price for such Debentures, as specified in the Debentures so to be redeemed, for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 12.03. Redemption of Debentures for Sinking Fund. Not less than 60 days prior to each sinking fund payment date for any series of Debentures, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for such Debentures pursuant to the terms of such Debentures, the portion thereof, if any, which is to be satisfied by payment of cash in the currency in which the Debentures of such series are payable (except as provided pursuant to Section 3.01) and the portion thereof, if any, which is to be satisfied by delivering and crediting Debentures pursuant to Section 12.02 and will also deliver to the Trustee any Debentures to be so delivered. Such Certificate shall be irrevocable and upon its delivery the Company shall be obligated to make the cash payment or payments therein referred to, if any, on or before the succeeding sinking fund payment date. In the case of

the failure of the Company to deliver such Certificate (or, as required by this Indenture, the Debentures and coupons, if any, specified in such Certificate), the sinking fund payment due on the succeeding sinking fund payment date or such series shall be paid entirely in cash and shall be sufficient to redeem the principal amount of the Debentures of such series subject to a mandatory sinking fund payment without the right to deliver or credit Debentures as provided in Section 12.02 and without the right to make the optional sinking fund payment with respect to such series at such time.

Any sinking fund payment (mandatory or optional) made in cash plus any unused balance of any preceding sinking fund payments made with respect to the Debentures of any particular series shall be applied by the Trustee (or by the Company if the Company is acting as its own Paying Agent) on the sinking fund payment date on which such payment is made (or, if such payment is made before a sinking fund payment date, on the sinking fund payment date immediately following the date of such payment) to the redemption of Debentures of such series at the redemption price specified in such Debentures with respect to the sinking fund. Any sinking fund moneys not so applied or allocated by the Trustee (or segregated and held in trust as provided in Section 10.03 by the Company if the Company is acting as its own Paying Agent) for such series, together with such payment (or such amount so segregated) shall be applied in accordance with the provisions of this Section 12.03. Any and all sinking fund moneys with respect to the Debentures of any particular series held by the Trustee (or if the Company is acting as its own Paying Agent, segregated and held in trust as provided in Section 10.03) on the last sinking fund payment date with respect to Debentures of such series and not held for the payment or redemption of particular Debentures of such series shall be applied by the Trustee (or by the Company if the Company is acting as its own Paying Agent), together with other moneys, if necessary, to be deposited (or segregated) sufficient for the purpose, to the payment of the principal of the Debentures of such series at Maturity. The Trustee shall select the Debentures to be redeemed upon such sinking fund payment date in the manner specified in Section 11.03 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 11.04. Such notice having been duly given, the redemption of such Debentures shall be made upon the terms and in the manner stated in Section 11.06. On or before each sinking fund payment date, the Company shall pay to the Trustee (or, if the Company is acting as its own Paying Agent, the Company shall segregate and hold in trust as provided in Section 10.03) in cash a sum in the currency in which Debentures of such series are payable (except as provided pursuant to Section 3.01) equal to the principal and any interest accrued to the redemption date for Debentures or portions thereof to be redeemed on such sinking fund payment date pursuant to this Section 12.03.

Neither the Trustee nor the Company shall redeem any Debentures of a series with sinking fund moneys or mail any notice of redemption of Debentures of such series by operation of the sinking fund for such series during the continuance of a default in payment of interest, if any, on any Debentures of such series or of any Event of Default (other than an Event of Default occurring as a consequence of this paragraph) with respect to the Debentures of such series,

except that if the notice of redemption shall have been provided in accordance with the provisions hereof, the Trustee (or the Company if the Company is then acting as its own Paying Agent) shall redeem such Debentures if cash sufficient for that purpose shall be deposited with the Trustee (or segregated by the Company) for that purpose in accordance with the terms of this Article Twelve. Except as aforesaid, any moneys in the sinking fund for such series at the time when any such default or Event of Default shall occur and any moneys thereafter paid into such sinking fund shall, during the continuance of such default or Event of Default, be held as security for the payment of the Debentures and coupons, if any, of such series; provided, however, that in case such default or Event of Default shall have been cured or waived herein, such moneys shall thereafter be applied on the next sinking fund payment date for the Debentures of such series on which such moneys may be applied pursuant to the provisions of this Section 12.03.

ARTICLE 13

SUBORDINATION OF DEBENTURES

SECTION 13.01. Debentures Subordinate to Senior Debt. The Company covenants and agrees, and each Holder of a Debenture, by its acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article, the payment of the principal of (and premium, if any) and interest (including any Additional Interest) on each and all of the Debentures are hereby expressly made subordinate and subject in right of payment to the prior payment in full of all amounts then due and payable in respect of all Senior Debt.

SECTION 13.02. Payment Over of Proceeds upon Dissolution, Etc. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company (each such event, if any, herein sometimes referred to as a "Proceeding"), then the holders of Senior Debt shall be entitled to receive payment in full of principal of (and premium, if any) and interest, if any, on such Senior Debt, or provision shall be made for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, before the Holders of the Debentures are entitled to receive or retain any payment or distribution of any kind or character, whether in cash, property or Debentures (including any payment or distribution which may be payable or deliverable by reason of the payment of any other Debt of the Company (including any series of the Debentures) subordinated to the payment of the Debentures, such payment or distribution being hereinafter referred to as a "Junior Subordinated Payment"), on account of principal of (or premium, if any) or interest (including any Additional Interest) on the Debentures or on account of the purchase or other acquisition of Debentures by the Company or any Subsidiary and to that end the holders of Senior Debt shall be entitled to receive, for application to the payment thereof, any payment or distribution of any kind of character, whether in cash, property or Debentures, including any Junior Subordinated Payment, which may be payable or deliverable in respect of the Debentures in any such Proceeding.

In the event that, notwithstanding the foregoing provisions of this Section, the Trustee or the Holder of any Debenture shall have received any payment or distribution of assets of the Company of any kind or character, whether in cash, property or Debentures, including any Junior Subordinated Payment, before all Senior Debt is paid in full or payment thereof is provided for in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, and if such fact shall, at or prior to the time of such payment or distribution, have been made known to the Trustee or, as the case may be, such Holder, then and in such event such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment or distribution of assets of the Company for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

For the purposes of this Article only, the words "any payment or distribution of any kind or character, whether in cash, property or Debentures" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or Debentures of the Company or any other corporation provided for by a plan of reorganization or readjustment which Debentures are subordinated in right of payment to all then outstanding Senior Debt to substantially the same extent as the Debentures are so subordinated as provided in this Article. The consolidation of the Company with, or the merger of the Company into, another Person or the liquidation or dissolution of the Company following the sale of all or substantially all of its properties and assets as an entirety to another Person or the liquidation or dissolution of the Company following the sale of all or substantially all of its properties and assets as an entirety to another Person upon the terms and conditions set forth in Article Eight shall not be deemed a Proceeding for the purposes of this Section if the Person formed by such consolidation or into which the Company is merged or the Person which acquires by sale such properties and assets as an entirety, as the case may be, shall, as a part of such consolidation, merger, or sale comply with the conditions set forth in Article Eight.

SECTION 13.03. Prior Payment to Senior Debt upon Acceleration of Debentures. In the event that any Debentures are declared due and payable before their Maturity, then and in such event the holders of the Senior Debt outstanding at the time such Debentures so become due and payable shall be entitled to receive payment in full of all amounts due on or in respect of such Senior Debt (including any amounts due upon acceleration), or provision shall be made for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, before the Holders of the Debentures are entitled to receive any payment or distribution of any kind or character, whether in cash, properties or Debentures (including any Junior Subordinated Payment) by the Company on account of the principal of (or premium, if any) or interest (including any Additional Interest) on the Debentures or on account of the purchase or other acquisition of Debentures by the Company or any Subsidiary; provided, however, that nothing in this Section shall prevent the satisfaction of any sinking fund payment in accordance with this Indenture or as otherwise specified as contemplated by Section 3.01 for

the Debentures of any series by delivering and crediting pursuant to Section 12.02 or as otherwise specified as contemplated by Section 3.01 for the Debentures of any series, Debentures which have been acquired (upon redemption or otherwise) prior to such declaration of acceleration.

In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the Holder of any Debenture prohibited by the foregoing provisions of this Section, and if such fact shall, at or prior to the time of such payment, have been made known to the Trustee or, as the case may be, such Holder, then and in such event such payment shall be paid over and delivered forthwith to the Company.

The provisions of this Section shall not apply to any payment with respect to which Section 13.02 would be applicable.

SECTION 13.04. No Payment When Senior Debt in Default. (a) In the event and during the continuation of any default in the payment of principal of (or premium, if any) or interest on any Senior Debt, or in the event that any event of default with respect to any Senior Debt shall have occurred and be continuing and shall have resulted in such Senior Debt becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, unless and until such event of default shall have been cured or waived or shall have ceased to exist and such acceleration shall have been rescinded or annulled, or (b) in the event any judicial proceeding shall be pending with respect to any such default in payment or such event or default, then no payment or distribution of any kind or character, whether in cash, properties or Debentures (including any Junior Subordinated Payment) shall be made by the Company on account of principal of (or premiums, if any) or interest (including any Additional Interest), if any, on the Debentures or on account of the purchase or other acquisition of Debentures by the Company or any Subsidiary; provided, however, that nothing in this Section shall prevent the satisfaction of any sinking fund payment in accordance with this Indenture or as otherwise specified as contemplated by Section 3.01 for the Debentures of any series by delivering and crediting pursuant to Section 12.02 or as otherwise specified as contemplated by Section 3.01 for the Debentures of any series Debentures which have been acquired (upon redemption or otherwise) prior to such default in payment or event of default.

In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the Holder of any Debenture prohibited by the foregoing provisions of this Section, and if such fact shall, at or prior to the time of such payment, have been made known to the Trustee or, as the case may be, such Holder, then and in such event such payment shall be paid over and delivered forthwith to the Company.

The provisions of this Section shall not apply to any payment with respect to which Section 13.02 would be applicable.

SECTION 13.05. Payment Permitted If No Default. Nothing contained in this Article or elsewhere in this Indenture or in any of the Debentures shall prevent (a) the Company, at any time except during the pendency of any Proceeding referred to in Section 13.02 or under the conditions described in Sections 13.03 and 13.04, from making payments at any time of principal of (and premium, if any) or interest on the Debentures, or (b) the application by the Trustee of any money or Government Obligations deposited with it hereunder to the payment of or on account of the principal of (and premium, if any) or interest (including any Additional Interest) on the Debentures or the retention of such payment by the Holders, if, at the time of such application by the Trustee, it did not have knowledge that such payment would have been prohibited by the provisions of this Article.

SECTION 13.06. Subrogation to Rights of Holders of Senior Debt. Subject to the payment in full of all Senior Debt, or the provision for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, the Holders of the Debentures shall be subrogated to the extent of the payments or distributions made to the holders of such Senior Debt pursuant to the provisions of this Article (equally and ratably with the holders of all indebtedness of the Company which by its express terms is subordinated to Senior Debt of the Company to substantially the same extent as the Debentures are subordinated to the Senior Debt and is entitled to like rights of subrogation by reason of any payments or distributions made to holders of such Senior Debt) to the rights of the holders of such Senior Debt to receive payments and distributions of cash, property and Debentures applicable to the Senior Debt until the principal of (and premium, if any) and interest on the Debentures shall be paid in full. For purposes of such subrogation, no payments or distributions to the holders of the Senior Debt of any cash, property or Debentures to which the Holders of the Debentures or the Trustee would be entitled except for the provisions of this Article, and no payments pursuant to the provisions of this Article to the holders of Senior Debt by Holders of the Debentures or the Trustee, shall, as among the Company, its creditors other than holders of Senior Debt, and the Holders of the Debentures, be deemed to be a payment or distribution by the Company to or on account of the Senior Debt.

SECTION 13.07. Provisions Solely to Define Relative Rights. The provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders of the Debentures on the one hand and the holders of Senior Debt on the other hand. Nothing contained in this Article or elsewhere in this Indenture or in the Debentures is intended to or shall (a) impair, as between the Company and the Holders of the Debentures, the obligations of the Company, which are absolute and unconditional, to pay to the Holders of the Debentures the principal of (and premium, if any) and interest (including any Additional Interest) on the Debentures as and when the same shall become due and payable in accordance with their terms; or (b) affect the relative rights against the Company of the Holders of the Debentures and creditors of the Company other than their rights in relation to the holders of Senior Debt; or (c) prevent the Trustee or the Holder of any Debenture from exercising all remedies otherwise permitted by applicable law upon default under this Indenture including, without limitation,

filing and voting claims in any Proceeding, subject to the rights, if any, under this Article of the holders of Senior Debt to receive cash, property and Debentures otherwise payable or deliverable to the Trustee or such Holder.

SECTION 13.08. Trustee to Effectuate Subordination. Each Holder of a Debenture by his or her acceptance thereof authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination provided in this Article and appoints the Trustee his or her attorney-in- fact for any and all such purposes.

SECTION 13.09. No Waiver of Subordination Provisions. No right of any present or future holder of any Senior Debt to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof that any such holder may have or be otherwise charged with.

SECTION 13.10. Notice to Trustee. The Company shall give prompt written notice to the Trustee of any fact known to the Company which would prohibit the making of any payment to or by the Trustee in respect of the Debentures. Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Debentures, unless and until the Trustee shall have received written notice thereof from the Company or a holder of Senior Debt or from any trustee, agent or representative therefor (whether or not the facts contained in such notice are true); provided, however, that if the Trustee shall not have received the notice provided for in this Section at least two Business Days prior to the date upon which by the terms hereof any monies may become payable for any purpose (including, without limitation, the payment of the principal of (and premium, if any) or interest (including any Additional Interest) on any Debenture), then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such monies and to apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary which may be received by it within two Business Days prior to such date.

SECTION 13.11. Reliance on Judicial Order or Certificate of Liquidating Agent. Upon any payment or distribution of assets of the Company referred to in this Article, the Trustee, subject to the provisions of Article Six, and the Holders of the Debentures shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which a Proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other Person making such payment or distribution, delivered to the Trustee or to the Holders of Debentures, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the

Senior Debt and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article.

SECTION 13.12. Trustee Not Fiduciary for Holders of Senior Debt. The Trustee, in its capacity as trustee under this Indenture, shall not be deemed to owe any fiduciary duty to the holders of Senior Debt and shall not be liable to any such holders if it shall in good faith mistakenly pay over or distribute to Holders of Debentures or to the Company or to any other Person cash, property or Debentures to which any holders of Senior Debt shall be entitled by virtue of this Article or otherwise.

SECTION 13.13. Rights of Trustee as Holder of Senior Debt; Preservation of Trustee's Rights. The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Senior Debt which may at any time be held by it, to the same extent as any other holder of Senior Debt, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder.

SECTION 13.14. Article Applicable to Paying Agents. In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intent and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee.

SECTION 13.15. Certain Conversions or Exchanges Deemed Payment. For the purpose of this Article only, (a) the issuance and delivery of junior securities upon conversion or exchange of Debentures shall not be deemed to constitute a payment or distribution on account of the principal of (or premium, if any) or interest (including any Additional Interest) on Debentures or on account of the purchase or other acquisition of Debentures, and (b) the payment, issuance or delivery of cash, property or securities (other than junior securities) upon conversion or exchange of a Debenture shall be deemed to constitute payment on account of the principal of such security. For the purpose of this Section, the term "junior securities" means (i) shares of any stock of any class of the Company and (ii) securities of the Company which are subordinated in right of payment to all Senior Debt which may be outstanding at the time of issuance or delivery of such securities to substantially the same extent as, or to a greater extent than, the Debentures are so subordinated as provided in this Article.

* * * *

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

TEXAS INSTRUMENTS INCORPORATED

By: -----

Attest:

(-----)
as Trustee

By: -----

State of :
: SS.
County of :

On the ___ day of _____, _____ before me personally came _____, to me known, who being duly sworn, did depose and say that he/she is _____ of Texas Instruments Incorporated, one of the corporations described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he/she signed his/her name thereto by like authority.

Notary Public
My Commission Expires:

State of :
: SS.
County of :

On the ___ day of _____, _____ before me personally came _____, to me known, who being duly sworn, did depose and say that he/she is _____ of The _____ (_____), a [Delaware] banking corporation, described in and which executed the foregoing instrument; that he/she knows the seal of said association; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said association, and that he/she signed his/her name thereto by like authority.

Notary Public
My Commission Expires:

CERTIFICATE OF TRUST OF
TEXAS INSTRUMENTS FINANCIAL TRUST

THIS Certificate of Trust of Texas Instruments Financial Trust (the "Trust"), dated as of June 28, 1996, is being duly executed and filed by the undersigned, as trustees, to form a business trust under the Delaware Business Trust Act (12 Del. C. Section 3801 (et seq.)).

1. Name. The name of the business trust formed hereby is Texas Instruments Financial Trust.

2. Delaware Trustee. The name and business address of the trustee of the Trust with a principal place of business in the State of Delaware is First Chicago Delaware Inc., 300 King Street, Wilmington, DE 19801.

3. Effective Date. This Certificate of Trust shall be effective upon filing with the Secretary of State.

IN WITNESS WHEREOF, the undersigned, being the trustees of the Trust, have executed this Certificate of Trust as of the date first above written.

By: /s/ JOHN W. PETTIJOHN

John W. Pettijohn
as Administrative Trustee

By: /s/ DAVID B. WILLIS

David B. Willis
as Administrative Trustee

The First National Bank of Chicago,
as Property Trustee

By: /s/ STEVEN M. WAGNER

Name: Steven M. Wagner
Title: Vice President

First Chicago Delaware Inc.
as Delaware Trustee

By: /s/ L. DILLARD

Name: L. Dillard
Title: Vice President

TRUST AGREEMENT

This TRUST AGREEMENT, dated as of June 28, 1996, among (i) Texas Instruments Incorporated, a Delaware corporation, as "Depositor"; (ii) The First National Bank of Chicago, a national banking association duly organized and existing under the laws of the United States (the "Property Trustee"); (iii) First Chicago Delaware Inc., a Delaware corporation (the "Delaware Trustee"); and (iv) John W. Pettijohn and David B. Willis (each, an "Administrative Trustee" and with the Property Trustee and the Administrative Trustees, the "Trustees"). The Depositor and the Trustees hereby agree as follows:

1. The trust created hereby shall be known as Texas Instruments Financial Trust, in which name the Trustees, or the Depositor to the extent provided herein, may conduct the business of the Trust, make and execute contracts, and sue and be sued.
2. The Depositor hereby assigns, transfers, conveys and sets over to the Trust the sum of \$10. The Trustees hereby acknowledge receipt of such amount in trust from the Depositor, which amount shall constitute the initial trust estate. The Trustees hereby declare that they will hold the trust estate in trust for the Depositor. It is the intention of the parties hereto that the Trust created hereby constitute a business trust under Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. Section 3801 et seq. (the "Business Trust Act"), and that this document constitutes the governing instrument of the Trust. The Trustees are hereby authorized and directed to execute and file a certificate of trust with the Delaware Secretary of State in accordance with the provisions of the Business Trust Act.
3. The Depositor and the Trustees will enter into an amended and restated Trust Agreement, satisfactory to each such party and substantially in the form included as Exhibit 4(d) to the 1933 Act Registration Statement (as defined below), to provide for the contemplated operation of the Trust created hereby and the issuance of the Preferred Securities and Common Securities referred to therein. Prior to the execution and delivery of such amended and restated Trust Agreement, the Trustees shall not have any duty or obligation hereunder or with respect to the trust estate, except as otherwise required by applicable law or as may be necessary to obtain prior to such execution and delivery any licenses, consents or approvals required by applicable law or otherwise.
4. The Depositor and the Trustees hereby authorize and direct the Depositor, as the sponsor of the Trust, (i) to file with the Securities and Exchange Commission (the "Commission") and execute, in each case on behalf of the Trust, (a) the Registration Statement on Form S-3 (the "1933 Act Registration Statement"), including any pre-effective or post-effective amendments to such 1933 Act Registration Statement (including the prospectus and the exhibits contained therein), relating to the registration under the Securities Act of 1933, as amended, of the Preferred Securities of the Trust and certain other securities and (b) a Registration Statement on Form 8-A (the "1934 Act

Registration Statement") (including all pre-effective and post-effective amendments thereto) relating to the registration of the Preferred Securities of the Trust under Section 12 of the Securities Exchange Act of 1934, as amended, (ii) to file with one or more national securities exchanges (each, an "Exchange") or the National Association of Securities Dealers ("NASD") and execute on behalf of the Trust a listing application or applications and all other applications, statements, certificates, agreements and other instruments as shall be necessary or desirable to cause the Preferred Securities to be listed on any such Exchange or the NASD's Nasdaq National Market ("NASDAQ"), (iii) to file and execute on behalf of the Trust such applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents as the Depositor, on behalf of the Trust, may deem necessary or desirable to register the Preferred Securities under the securities or "Blue Sky" laws, (iv) to execute on behalf of the Trust such Underwriting Agreements with one or more underwriters relating to the offering of the Preferred Securities as the Depositor, on behalf of the Trust, may deem necessary or desirable. In the event that any filing referred to in clauses (i), (ii) and (iii) above is required by the rules and regulations of the Commission, any Exchange, the NASD or state securities or Blue Sky laws, to be executed on behalf of the Trust by a Trustee, either Administrative Trustee, in his capacity as an Administrative Trustee of the Trust, is hereby authorized and directed to join in any such filing and to execute on behalf of the Trust any and all of the foregoing, it being understood that The First National Bank of Chicago and First Chicago Delaware Inc., in their capacities as Trustees of the Trust, shall not be required to join in any such filing or execute on behalf of the Trust any such document unless required by the rules and regulations of the Commission, the New York Stock Exchange or any other national stock exchange or state securities or Blue Sky laws. In connection with all of the foregoing, the Depositor and each Trustee, solely in its capacity as Trustee of the Trust hereby constitutes and appoints John W. Pettijohn and David B. Willis and each of them, as his or its, as the case may be, true and lawful attorneys-in-fact and agents, and each of them with full power of substitution and resubstitution, for the undersigned to execute on behalf of the Trust any and all of the foregoing.

5. This Trust Agreement may be executed in one or more counterparts.

6. The number of Trustees initially shall be four (4) and thereafter the number of Trustees shall be such number as shall be fixed from time to time by a written instrument signed by the Depositor which may increase or decrease the number of Trustees; provided, however, that to the extent required by the Business Trust Act, one Trustee shall either be a natural person who is a resident of the State of Delaware or, if not a natural person, an entity which has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable Delaware law. Subject to the foregoing, the Depositor is entitled to appoint or remove without cause any Trustee at any time. The Trustees may resign upon thirty days' prior notice to the Depositor.

7. This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (without regard to conflict of laws principles).

(Remainder of Page Intentionally Blank)

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

TEXAS INSTRUMENTS INCORPORATED,
as Depositor

By: /s/ WILLIAM A. AYLESWORTH

Name: William A. Aylesworth
Title: Senior Vice President,
Treasurer and Chief
Financial Officer

By: /s/ JOHN W. PETTIJOHN

John W. Pettijohn,
as Administrative Trustee

By: /s/ DAVID B. WILLIS

David B. Willis
as Administrative Trustee

The First National Bank of Chicago,
as Property Trustee

By: /s/ STEVEN M. WAGNER

Name: Steven M. Wagner
Title: Vice President

First Chicago Delaware Inc.,
as Delaware Trustee

By: /s/ L. DILLARD

Name: L. Dillard
Title: Vice President

=====

AMENDED AND RESTATED

TRUST AGREEMENT

AMONG

TEXAS INSTRUMENTS INCORPORATED,
AS DEPOSITOR,

THE FIRST NATIONAL BANK OF CHICAGO,
AS PROPERTY TRUSTEE,
FIRST CHICAGO DELAWARE INC.,
AS DELAWARE TRUSTEE,

AND

THE ADMINISTRATIVE TRUSTEES NAMED HEREIN

DATED AS OF _____, 1996

TEXAS INSTRUMENTS FINANCIAL TRUST

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TEXAS INSTRUMENTS FINANCIAL TRUST*

Certain Sections of this Trust Agreement relating to
Sections 310 through 318 of the Trust Indenture Act of 1939:

TRUST INDENTURE ACT SECTION	TRUST AGREEMENT SECTION
Section 310 (a)(1)	8.07
(a)(2)	8.07
(a)(3)	8.09
(a)(4)	2.07(a)(ii)
(b)	8.08
Section 311 (a)	8.13
(b)	8.13
Section 312 (a)	5.07
(b)	5.07
(c)	5.07
Section 313 (a)	8.14(a)
(c)	10.08
(d)	8.14(c)
(a)(4)	8.14(b)
(b)	8.14(b)
Section 314 (a)	8.15
(b)	Not Applicable
(c)(1)	8.16
(c)(2)	8.16
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	1.01, 8.16
Section 315 (a)	8.01(a), 8.03(a)
(b)	8.02, 10.08
(c)	8.01(a)
(d)	8.01, 8.03
(e)	Not Applicable
Section 316 (a)	Not Applicable
(a)(1)(A)	Not Applicable

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* Note: This reconciliation and tie sheet shall not, for any purpose, be deemed to be a part of the Trust Agreement.

TRUST INDENTURE ACT SECTION	TRUST AGREEMENT SECTION
(a)(1)(B)	Not Applicable
(a)(2)	Not Applicable
(b)	Not Applicable
(c)	6.07
Section 317 (a)(1)	Not Applicable
(b)	5.09
Section 318 (a)	10.10

AMENDED AND RESTATED TRUST AGREEMENT, dated as of _____, 1996, among (i) Texas Instruments Incorporated, a Delaware corporation (including any successors or assigns, "the Depositor"), (ii) The First National Bank of Chicago, a national banking association duly organized and existing under the laws of the United States, as property trustee (in such capacity, the "Property Trustee" and, in its personal capacity and not in its capacity as Property Trustee, the "Bank"), (iii) First Chicago Delaware Inc., a corporation duly organized and existing under the laws of the State of Delaware, as Delaware trustee (in such capacity, the "Delaware Trustee"), (iv) John W. Pettijohn, an individual, and David B. Willis, an individual, each of whose address is c/o Texas Instruments Incorporated, 13500 North Central Expressway, P.O. Box 655474, Dallas, Texas 75265-5474 (each, an "Administrative Trustee" and, collectively, the "Administrative Trustees" and, collectively with the Property Trustee and Delaware Trustee, the "Trustees") and (iv) the several Holders as hereinafter defined.

W I T N E S S E T H:

WHEREAS, the Depositor and the Trustees have heretofore duly declared and established a business trust pursuant to the Delaware Business Trust Act by the entering into of that certain Trust Agreement, dated as of June 28, 1996 (the "Original Trust Agreement"), and by the execution and filing by the Trustees with the Secretary of State of the State of Delaware of the Certificate of Trust, filed on June 28, 1996, attached as Exhibit A; and

WHEREAS, the Depositor and the Trustees desire to amend and restate the Original Trust Agreement in its entirety as set forth herein to provide for, among other things, (i) the issuance of the Common Securities by the Trust to the Depositor, (ii) the issuance and sale of the Preferred Securities by the Trust pursuant to the Underwriting Agreement and (iii) the acquisition by the Trust from the Depositor of all of the right, title and interest in the Debentures;

NOW THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, each party, for the benefit of the other party and for the benefit of the holders of the Preferred Securities, hereby amends and restates the Original Trust Agreement in its entirety and agrees as follows:

ARTICLE 1.
DEFINED TERMS

SECTION 1.01. Definitions. For all purposes of this Trust Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Trust Agreement; and

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or other subdivision.

"Act" has the meaning specified in Section 6.08.

"Additional Amount" means, with respect to Trust Securities of a given Liquidation Amount and for a given period, the amount of Additional Interest (as defined in the Indenture) paid by the Depositor on a Like Amount of Debentures for such period.

"Administrative Trustee" means each of John W. Pettijohn and David B. Willis, each solely in his capacity as Administrative Trustee of the Trust formed and continued hereunder and not in his individual capacity, or such Administrative Trustee's successor in interest in such capacity, or any successor in interest in such capacity, or any successor trustee appointed as herein provided.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, provided, however that an Affiliate of the Depositor shall not be deemed to include the Trust. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Bank" has the meaning specified in the preamble to this Trust Agreement.

"Bankruptcy Event" means, with respect to any Person:

(a) the entry of a decree or order by a court having jurisdiction in the premises judging such Person as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjudication or composition of or in respect of such Person under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or of any substantial part of its property or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days: or

(b) the institution by such Person of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of such Person or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due and its willingness to be adjudicated a bankrupt, or the taking of corporate action by such Person in furtherance of any such action.

"Bankruptcy Laws" has the meaning specified in Section 10.09.

"Board of Directors" means either the board of directors of the Depositor or any committee of that board duly authorized to act hereunder.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Depositor to have been duly adopted by the Depositor's Board of Directors, or such committee of the Board of Directors or officers of the Depositor to which authority to act on behalf of the Board of Directors has been delegated, and to be in full force and effect on the date of such certification, and delivered to the Trustees.

"Book-Entry Preferred Securities Certificates" means a beneficial interest in the Preferred Securities Certificates, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 5.11.

"Business Day" means a day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in the City of New York are authorized or required by law or executive order to remain closed, or (c) a day on which the Property Trustee's Corporate Trust Office or the principal office of the Debenture Trustee is closed for business.

"Certificate Depository Agreement" means the agreement among the Trust, the Depositor and The Depository Trust Company, as the initial Clearing Agency, dated as of the Closing Date, relating to the Trust Certificates substantially in the form attached as Exhibit B, as the same may be amended and supplemented from time to time.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. The Depository Trust Company will be the initial Clearing Agency.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" means the First Time of Delivery (as defined in the Underwriting Agreement), which date is also the date of execution and delivery of this Trust Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Common Security" means an undivided beneficial interest in the assets of the Trust, having a Liquidation Amount of \$50 and having the rights provided therefor in this Trust Agreement, including the right to receive Distributions and a Liquidation Distribution as provided herein.

"Common Securities Certificate" means a certificate evidencing ownership of Common Securities, substantially in the form attached as Exhibit C.

"Conversion Agent" has the meaning specified in Section 4.03.

"Conversion Date" has the meaning specified in Section 4.03.

"Conversion Expiration Date" means the date selected by the Depositor not less than 30 days nor more than 60 days after the date on which the Depositor issues a press release announcing its intention to terminate the conversion rights for the Holders.

"Conversion Price" has the meaning specified in Section 4.03.

"Conversion Request" has the meaning specified in Section 4.03.

"Corporate Trust Office" means the principal office of the Property Trustee at which at any particular time its trust business shall be administered.

"Current Market Price", with respect to Texas Instruments Common Stock, for any day means the last reported sale price, regular way, on such day, or, if no sale takes place on such day, the average of the reported closing bid and asked prices on such day, regular way, in either case as reported on the New York Stock Exchange Composite Transactions Tape, or, if the Texas Instruments Common Stock is not listed or admitted to trading on the New York Stock Exchange on such day, on the principal national securities exchange on which the Texas Instruments Common Stock is listed or admitted to trading, if the Texas Instruments Common Stock is listed on a national securities exchange, or the Nasdaq National Market, or, if the Texas Instruments Common Stock is not quoted or admitted to trading on such quotation system, on the principal quotation system on which the Texas Instruments Common Stock may be listed or admitted to trading or quoted, or, if not listed or admitted to trading or quoted on any national securities exchange or quotation system, the average of the closing bid and asked prices of the Texas Instruments Common Stock in the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similar generally accepted reporting service, or, if not so available in such manner, as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors for that purpose or, if not so available in such manner, as otherwise determined in good faith by the Board of Directors.

"Debenture Event of Default" means an "Event of Default" as defined in the Indenture.

"Debenture Redemption Date" means, with respect to any Debentures to be redeemed under the Indenture, the date fixed for redemption under the Indenture.

"Debenture Trustee" means The First National Bank of Chicago, a national banking association organized under the laws of the United States and any successor thereto.

"Debentures" means \$_____ aggregate principal amount of the Depositor's _____% Junior Subordinated Deferrable Interest Debentures, Series A, issued pursuant to the Indenture.

"Definitive Preferred Securities Certificates" means either or both (as the context requires) of (a) Preferred Securities Certificates issued in certificated, fully registered form as provided in Section 5.11(a) and (b) Preferred Securities Certificates issued in certificated, fully registered form as provided in Section 5.13.

"Delaware Business Trust Act" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. (S) 3801, et. seq., as it may be amended from time to time.

"Delaware Trustee" means the Person identified as the "Delaware Trustee" in the preamble to this Trust Agreement solely in its capacity as Delaware Trustee of the Trust formed and continued hereunder and not in its individual capacity, or its successor in interest in such capacity, or any successor trustee appointed as herein provided.

"Depositor" has the meaning specified in the preamble to this Trust Agreement.

"Distribution Date" has the meaning specified in Section 4.01(a).

"Distributions" means amounts payable in respect of the Trust Securities as provided in Section 4.01.

"Event of Default" means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) the occurrence of a Debenture Event of Default;

or

(b) default by the Trust in the payment of any Distribution when it becomes due and payable, and continuation of such default for a period of 30 days; or

(c) default by the Trust in the payment of any Redemption Price of any Trust Security when it becomes due and payable; or

(d) default in the performance, or breach, in any material respect, or any covenant or warranty of any of the Trustees in this Trust Agreement (other than a covenant or warranty a default in whose performance or breach is dealt with in clause (b) or (c), above) and continuation of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the defaulting Trustee or Trust by the Holders of at least 25% in Liquidation Amount of the Outstanding Preferred Securities a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(e) the occurrence of a Bankruptcy Event with respect to the Property Trustee and the failure by the Depositor to appoint a successor Property Trustee within 60 days thereof.

"Exchange Notice" has the meaning specified in Section 4.04(b).

"Expense Agreement" means the Agreement as to expenses and liabilities between the Depositor and the Trust, substantially in the form attached as Exhibit D, as amended from time to time.

"Expiration Date" has the meaning specified in Section 9.01.

"Guarantee" means the Guarantee Agreement executed and delivered by the Depositor and The First National Bank of Chicago, as guarantee trustee, contemporaneously with the execution and delivery of this Trust Agreement, for the benefit of the holders of the Preferred Securities, as amended from time to time.

"Indenture" means the Junior Subordinated Indenture, dated as of _____, 1996, between the Depositor and the Debenture Trustee, as amended or supplemented from time to time.

"Investment Company Event" means the receipt by the Trust of an Opinion of Counsel, rendered by a law firm having a national tax and securities practice, to the effect that, as a result of the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law") to the effect that the Trust is or will be considered an "investment company" that is required to be registered under the 1940 Act, which Change in 1940 Act Law

becomes effective on or after the date of original issuance of the Preferred Securities under this Trust Agreement.

"Lien" means any lien, pledge, charge, encumbrance, mortgage, deed of trust, adverse ownership interest, hypothecation, assignment, security interest or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever.

"Like Amount" means (a) with respect to a redemption of Trust Securities, Trust Securities having a Liquidation Amount equal to the principal amount of Debentures to be contemporaneously redeemed in accordance with the Indenture the proceeds of which will be used to pay the Redemption Price of such Trust Securities and (b) with respect to a distribution of Debentures to Holders of Trust Securities in connection with a dissolution or liquidation of the Trust, Debentures having a principal amount equal to the Liquidation Amount of the Trust Securities of the Holder to whom such Debentures are distributed.

"Liquidation Amount" means the stated amount of \$50 per Trust Security.

"Liquidation Date" means each Date on which Debentures or cash is to be distributed to Holders of Trust Securities in connection with a termination and liquidation of the Trust pursuant to Section 9.04(a).

"Liquidation Distribution" has the meaning specified in Section 9.04(d).

"1940 Act" means the Investment Company Act of 1940, as amended.

"Officers' Certificate" means a certificate signed by (i) the Chairman, Chief Executive Officer, President or a Vice President, and (ii) by the Treasurer, an Assistant Treasurer, the Controller, the Secretary or an Assistant Secretary, of the Depositor, and delivered to the appropriate Trustee. One of the officers signing an Officers' Certificate given pursuant to Section 8.16 shall be the principal executive, financial or accounting officer of the Depositor. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Trust Agreement shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

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

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Trust, the Property Trustee or the Depositor, and who may be an employee of any thereof, and who shall be acceptable to the Property Trustee.

"Optional Redemption Price" means, with respect to any Preferred Security, the following percentages of the Liquidation Amounts thereof, and accumulated and unpaid Distributions, if any, to the date fixed for redemption if redeemed during the twelve-month period commencing ___ of the years indicated:

Year	Redemption Price	Year	Redemption Price
----	-----	----	-----
1999	___%	2003	___%
2000	___%	2004	___%
2001	___%	2005	___%
2002	___%	2006 and thereafter	___%

"Original Trust Agreement" has the meaning specified in the recitals to this Trust Agreement.

"Outstanding", when used with respect to Preferred Securities, means, as of the date of determination, all Preferred Securities theretofore executed and delivered under this Trust Agreement, except:

(a) Preferred Securities theretofore canceled by the Securities Registrar or delivered to the Securities Registrar Trustee for cancellation or tendered for conversion;

(b) Preferred Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Property Trustee or any Paying Agent for the Holders of such Preferred Securities; provided that, if such Preferred Securities are to be redeemed,

notice of such redemption has been duly given pursuant to this Trust Agreement; and

(c) Preferred Securities which have been paid or in exchange for or in lieu of which other Preferred Securities have been executed and delivered pursuant to Section 5.05:

provided, however, that in determining whether the Holders of the requisite Liquidation Amount of the Outstanding Preferred Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Preferred Securities owned by the Depositor, any Trustee or any Affiliate of the Depositor or any Trustee shall be disregarded and deemed not to be outstanding, except that (a) in determining whether any Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Preferred Securities that such Trustee knows to be so owned shall be so disregarded and (b) the foregoing shall not apply at any time when all of the Outstanding Preferred Securities are owned by the Depositor, one or more of the Trustees and/or any such Affiliate. Preferred Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Securities Registrar the pledgee's right so to act with respect to such Preferred Securities and that the pledgee is not the Depositor or any Affiliate of the Depositor.

"Owner" means each Person who is the beneficial owner of a Book-Entry Preferred Securities Certificate as reflected in the records of the Clearing Agency or, if a Clearing Agency Participant is not the Owner, then as reflected in the records of a Person maintaining an account with such Clearing Agency (directly or indirectly, in accordance with the rules of such Clearing Agency).

"Paying Agent" means any paying agent or co-paying agent appointed pursuant to Section 5.09 and shall initially be the Bank.

"Payment Account" means a segregated non-interest bearing corporate trust account maintained by the Property Trustee with the Bank in its trust department for the benefit of the Securityholders in which all amounts paid in respect of the Debentures will be held and from which the Property Trustee shall make payments to the Securityholders in accordance with Section 4.01.

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

"Preferred Security" means an undivided beneficial interest in the assets of the Trust, having a Liquidation Amount of \$50 and having the rights provided therefor in this Trust Agreement, including the right to receive Distributions and a Liquidation Distribution as provided herein.

"Preferred Securities Certificate" means a certificate evidencing ownership of Preferred Securities, substantially in the form attached as Exhibit E.

"Property Trustee" means the commercial bank or trust company identified as the "Property Trustee" in the preamble to this Trust Agreement solely in its capacity as Property Trustee of the Trust heretofore formed and continued hereunder and not in its individual capacity, or its successor in interest in such capacity, or any successor property trustee appointed as herein provided.

"Redemption Date" means, with respect to any Trust Security to be redeemed, the date fixed for such redemption by or pursuant to this Trust Agreement; provided that each Debenture Redemption Date and the stated maturity of the Debentures shall be a Redemption Date for a Like Amount of Trust Securities.

"Redemption Price" means, with respect to any Preferred Security, \$___ per Preferred Security, plus accumulated and unpaid Distributions to the date of redemption, plus the related amount of the premium, if any, paid by the Depositor upon the concurrent redemption of a Like Amount of Debentures, allocated on a pro rata basis (based on Liquidation Amounts) among the Trust Securities.

"Relevant Trustee" has the meaning specified in Section 8.10.

"Rights" has the meaning specified in Section 4.03.

"Securities Register" and Securities Registrar" have the respective meanings specified in Section 5.04.

"Securityholder" or "Holder" means a Person in whose name a Trust Security or Securities is registered in the Securities Register; any such Person shall be deemed to be a beneficial owner within the meaning of the Delaware Business Trust Act; provided, however, that in determining whether the Holders of the requisite amount of Preferred Securities have voted on any matter provided for in this Trust Agreement, then for the purpose of any such determination, so long as Definitive Preferred Securities Certificates have not been issued, the term Securityholders or Holders as used herein shall refer to the Owners.

"Special Event" means a Tax Event or an Investment Company Event.

"Tax Event" means the receipt by the Trust of an Opinion of Counsel, rendered by a law firm having a national tax and securities practice, to the effect that, as a result of any amendment to, or change (including any announced

prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement or decision is announced on or after the date of issuance of the Preferred Securities under this Trust Agreement, there is more than an insubstantial risk that (i) the Trust is, or will be within 90 days after the date thereof, subject to United States Federal income tax with respect to income received or accrued on the Debentures, (ii) interest payable by the Depositor on the Debentures is not, or within 90 days after the date hereof, will not be, deductible, in whole or in part, for United States Federal income tax purposes or (iii) the Trust is, or will be within 90 days after the date thereof, subject to more than a de minimis amount of other taxes, duties, assessments or other governmental charges.

"Texas Instruments Common Stock" means common stock, \$1.00 par value per share, of the Depositor.

"Trust" means the Delaware business trust continued hereby and identified on the cover page to this Trust Agreement.

"Trust Agreement" means this Amended and Restated Trust Agreement, as the same may be modified, amended or supplemented in accordance with the applicable provisions hereof, including all exhibits hereto, including, for all purposes of this Trust Agreement and any such modification, amendment or supplement, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Trust Agreement and any such modification, amendment or supplement, respectively.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"Trust Property" means (a) the Debentures, (b) any cash on deposit in, or owing to, the Payment Account and (c) all proceeds and rights in respect of the foregoing and any other property and assets for the time being held or deemed to be held by the Property Trustee pursuant to the trusts of this Trust Agreement.

"Trust Security" means any one of the Common Securities or the Preferred Securities.

"Trust Securities Certificate" means any one of the Common Securities Certificates or the Preferred Securities Certificates.

"Trustees" means, collectively, the Property Trustee, the Delaware Trustee and the Administrative Trustees.

"Underwriting Agreement" means the Underwriting Agreement, dated as of _____, 1996, among the Trust, the Depositor and the Underwriters named therein.

ARTICLE 2
ESTABLISHMENT OF THE TRUST

SECTION 2.01. Name. The Trust continued hereby shall be known as "Texas Instruments Financial Trust," as such name may be modified from time to time by the Administrative Trustees following written notice to the Holders of Trust Securities and the other Trustees, in which name the Trustees may conduct the business of the Trust, make and execute contracts and other instruments on behalf of the Trust and sue and be sued.

SECTION 2.02. Office of the Delaware Trustee; Principal Place of Business. The address of the Delaware Trustee in the State of Delaware is 300 King Street, Wilmington, Delaware 19801, or such other address in the State of Delaware as the Delaware Trustee may designate by written notice to the Securityholders and the Depositor. The principal executive office of the Trust is 13500 North Central Expressway, P.O. Box 655474, Dallas, Texas 75265-5474.

SECTION 2.03. Initial Contribution of Trust Property; Organizational Expenses. The Property Trustee acknowledges receipt in trust from the Depositor in connection with the Original Trust Agreement of the sum of \$10, which constituted the initial Trust Property. The Depositor shall pay organizational expenses of the Trust as they arise or shall, upon request of any Trustee, promptly reimburse such Trustee for any such expenses paid by such Trustee. The Depositor shall make no claim upon the Trust Property for the payment of such expenses.

SECTION 2.04. Issuance of the Preferred Securities. On _____, 1996 the Depositor, on behalf of the Trust and pursuant to the Original Trust Agreement, executed and delivered the Underwriting Agreement. Contemporaneously with the execution and delivery of this Trust Agreement, an

Administrative Trustee, on behalf of the Trust, shall execute in accordance with Section 5.02 and deliver to the Underwriters named therein Preferred Securities Certificates, registered in the name of the nominee of the initial Clearing Agency, in an aggregate amount of _____ Preferred Securities having an aggregate Liquidation Amount of \$_____, against receipt of the aggregate purchase price of such Preferred Securities of \$_____, which amount the Administrative Trustees shall promptly deliver to the Property Trustee.

SECTION 2.05. Subscription and Purchase of Debentures; Issuance of the Common Securities. Contemporaneously with the execution and delivery of this Trust Agreement, the Administrative Trustees, on behalf of the Trust, shall subscribe to and purchase from the Depositor Debentures, registered in the name of the Trust and having an aggregate principal amount equal to \$_____, and, in satisfaction of the purchase price for such Debentures, the Property Trustee, on behalf of the Trust, shall deliver to the Depositor the sum of \$_____. Contemporaneously therewith, an Administrative Trustee, on behalf of the Trust, shall execute in accordance with Section 5.02 and deliver to the Depositor Common Securities Certificates registered in the name of the Depositor, having an aggregate Liquidation Amount of \$_____ against payment by the Depositor of the sum of \$_____.

SECTION 2.06. Declaration of Trust. The exclusive purposes and functions of the Trust are (a) to issue and sell Trust Securities and use the proceeds from such sale to acquire the Debentures and (b) to engage in those activities necessary, convenient or incidental thereto. The Depositor hereby appoints the Trustees as trustees of the Trust, to have all the rights, powers and duties to the extent set forth herein, and the Trustees hereby accept such appointment. The Property Trustee hereby declares that it will hold the Trust Property in trust upon and subject to the conditions set forth herein for the benefit of the Trust and the Securityholders. The Administrative Trustees shall have all rights, powers and duties set forth herein and in accordance with applicable law with respect to accomplishing the purposes of the Trust. The Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities, of the Property Trustee or the Administrative Trustees set forth herein. The Delaware Trustee shall be one of the Trustees of the Trust for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Delaware Business Trust Act.

SECTION 2.07. Authorization to Enter into Certain Transactions. (a) The Trustees shall conduct the affairs of the Trust in accordance with the terms of this Trust Agreement. Subject to the limitations set forth in paragraph (b) of this Section, and in accordance with the following provisions (i) and (ii), the Trustees shall have the authority to enter into all transactions and

agreements determined by the Trustees to be appropriate in exercising the authority, express or implied, otherwise granted to the Trustees under this Trust Agreement, and to perform all acts in furtherance thereof, including without limitation, the following:

(i) As among the Trustees, each Administrative Trustee shall have the power and authority to act on behalf of the Trust with respect to the following matters:

(A) the issuance and sale of the Trust Securities;

(B) to cause the Trust to enter into, and to execute, deliver and perform on behalf of the Trust, the Expense Agreement and the Certificate Depository Agreement and such other agreements as may be necessary or desirable in connection with the purposes and function of the Trust;

(C) assisting in the registration of the Preferred Securities under the Securities Act of 1933, as amended, and under state securities or blue sky laws, and the qualification of this Trust Agreement as a trust indenture under the Trust Indenture Act;

(D) assisting in the listing of the Preferred Securities upon such securities exchange or exchanges as shall be determined by the Depositor and the registration of the Preferred Securities under the Securities Exchange Act of 1934, as amended, and the preparation and filing of all periodic and other reports and other documents pursuant to the foregoing;

(E) the appointment of a Paying Agent, authenticating agent and Securities Registrar in accordance with this Trust Agreement;

(F) to the extent provided in this Trust Agreement, the winding-up of the affairs of and liquidation of the Trust and the preparation, execution and filing of the certificate of cancellation with the Secretary of State of the State of Delaware;

(G) unless otherwise determined by the Depositor, the Property Trustee or the Administrative Trustees, or as otherwise required by the Delaware Business Trust Act or the Trust Indenture Act, to execute on behalf of the Trust (either acting alone or together with any other Administrative Trustees) any documents that

the Administrative Trustees have the power to execute pursuant to this Trust Agreement; and

(H) the taking of any action incidental to the foregoing as the Trustees may from time to time determine is necessary or advisable to give effect to the terms of this Trust Agreement for the benefit of the Securityholders (without consideration of the effect of any such action on any particular Securityholder).

(ii) As among the Trustees, the Property Trustee shall have the power, duty and authority to act on behalf of the Trust with respect to the following matters:

(A) the establishment of the Payment Account;

(B) the receipt of the Debentures;

(C) the collection of interest, principal and any other payments made in respect of the Debentures in the Payment Account;

(D) the distribution from the Trust Property of amounts owed to the Securityholders in respect of the Trust Securities;

(E) the exercise of all of the rights, powers and privileges of a holder of the Debentures;

(F) the sending of notices of default, other notices and other information regarding the Trust Securities and the Debentures to the Securityholders in accordance with this Trust Agreement;

(G) the distribution of the Trust Property in accordance with the terms of this Trust Agreement;

(H) to the extent provided in this Trust Agreement, the winding up of the affairs of and liquidation of the Trust and the preparation, execution and filing of the certificate of cancellation with the Secretary of State of the State of Delaware;

(I) after an Event of Default the taking of any action incidental to the foregoing as the Property Trustee may from time to time determine is necessary or advisable to give effect to the terms of this Trust Agreement and protect and conserve the Trust

Property for the benefit of the Securityholders (without consideration of the effect of any such action on any particular Securityholder); and

(J) subject to this Section 2.07(a)(ii), the Property Trustee shall have none of the duties, liabilities, powers or the authority of the Administrative Trustees set forth in Section 2.07(a)(i).

(b) So long as this Trust Agreement remains in effect, the Trust (or the Trustees acting on behalf of the Trust) shall not undertake any business, activities or transaction except as expressly provided herein or contemplated hereby. In particular, the Trustees shall cause the Trust not to (i) acquire any investments or engage in any activities not authorized by this Trust Agreement, (ii) sell, assign, transfer, exchange, mortgage, pledge, set-off or otherwise dispose of any of the Trust Property or interests therein, including to Securityholders, except as expressly provided herein, (iii) take any action that would cause the Trust to fail or cease to qualify as a "grantor trust" for United States Federal income tax purposes, (iv) incur any indebtedness for borrowed money or issue any other debt or (v) take or consent to any action that would result in the placement of a Lien on any of the Trust Property. The Administrative Trustees shall defend all claims and demands of all Persons at any time claiming any Lien on any of the Trust Property adverse to the interest of the Trust or the Securityholders in their capacity as Securityholders.

(c) In connection with the issue and sale of the Preferred Securities, the Depositor shall have the right and responsibility to assist the Trust with respect to, or effect on behalf of the Trust, the following (and any actions taken by the Depositor in furtherance of the following prior to the date of this Trust Agreement are hereby ratified and confirmed in all respects):

(i) to prepare for filing by the Trust with the Commission and to execute on behalf of the Trust a registration statement on the appropriate form in relation to the Preferred Securities, including any amendments thereto;

(ii) to determine the States in which to take appropriate action to qualify or register for sale all or part of the Preferred Securities and to do any and all such acts, other than actions which must be taken by or on

behalf of the Trust, and advise the Trustees of actions they must take on behalf of the Trust, and prepare for execution and filing any documents to be executed and filed by the Trust or on behalf of the Trust, as the Depositor deems necessary or advisable in order to comply with the applicable laws of any such States;

(iii) to prepare for filing by the Trust and to execute on behalf of the Trust an application to the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market for listing upon notice of issuance of any Preferred Securities;

(iv) to prepare for filing by the Trust with the Commission and to execute on behalf of the Trust a registration statement on Form 8-A relating to the registration of the Preferred Securities under Section 12(b) or 12(g) of the Exchange Act, including any amendments thereto;

(v) to negotiate the terms of, and execute and deliver, the Underwriting Agreement providing for the sale of the Preferred Securities; and

(vi) any other actions necessary or desirable to carry out any of the foregoing activities.

(d) Notwithstanding anything herein to the contrary, the Administrative Trustees are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that the Trust will not be deemed to be an "investment company" required to be registered under the 1940 Act, or taxed as a corporation for United States Federal income tax purposes and so that the Debentures will be treated as indebtedness of the Depositor for United States Federal income tax purposes. In this connection, the Depositor and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the Certificate of Trust or this Trust Agreement, that each of the Depositor and the Administrative Trustees determines in their discretion to be necessary or desirable for such purposes, so long as such action does not adversely affect in any material respect the interests of the Holders of the Preferred Securities.

SECTION 2.08. Assets of Trust. The assets of the Trust shall consist of the Trust Property.

SECTION 2.09. Title to Trust Property. Legal title to all Trust Property shall be vested at all times in the Property Trustee (in its capacity as such) and shall be held and administered by the Property Trustee for the benefit of the Trust and the Securityholders in accordance with this Trust Agreement.

ARTICLE 3
PAYMENT ACCOUNT

SECTION 3.01. Payment Account. (a) On or prior to the Closing Date, the Property Trustee shall establish the Payment Account. The Property Trustee and any agent of the Property Trustee shall have exclusive control and sole right of withdrawal with respect to the Payment Account for the purpose of making deposits in and withdrawals from the Payment Account in accordance with this Trust Agreement. All monies and other property deposited or held from time to time in the Payment Account shall be held by the Property Trustee in the Payment Account for the exclusive benefit of the Securityholders and for distribution as herein provided, including (and subject to) any priority of payments provided for herein.

(b) The Property Trustee shall deposit in the Payment Account, promptly upon receipt, all payments of principal or interest on, and any other payments or proceeds with respect to, the Debentures. Amounts held in the Payment Account shall not be invested by the Property Trustee pending distribution thereof.

ARTICLE 4
DISTRIBUTIONS; REDEMPTION; EXCHANGE; CONVERSION

SECTION 4.01. Distributions. (a) Distributions on the Trust Securities shall be cumulative, and will accumulate whether or not there are funds of the Trust available for the payment of Distributions. Distributions shall accrue from _____, 1996, and, except in the event that the Depositor exercises its right to extend the interest payment period for the Debentures pursuant to the Indenture, shall be payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing on _____, 1996. If any date on which Distributions are otherwise payable on the Trust Securities is not a Business Day, then the payment of such Distribution shall be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, payment of such Distribution shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date (each date on which distributions are payable in accordance with this Section 4.01(a) a "Distribution Date").

(b) The Trust Securities represent undivided beneficial interests in the Trust Property, and the Distributions on the Trust Securities shall be payable at a rate of _____% per annum of the Liquidation Amount of the Trust Securities. The amount of Distributions payable for any full period shall be computed on the basis

of a 360-day year of twelve 30-day months. For periods less than a 30-day month, Distributions shall be computed on the basis of the actual number of elapsed days. The amount of Distributions payable for any period shall include the Additional Amounts, if any.

(c) Distributions on the Trust Securities shall be made by the Property Trustee from the Payment Account and shall be payable on each Distribution Date only to the extent that the Trust has funds then on hand and available in the Payment Account for the Payment of such Distributions.

(d) Distributions on the Trust Securities with respect to a Distribution Date shall be payable to the Holders thereof as they appear on the Securities Register for the Trust Securities on the relevant record date, which shall be one Business Day prior to such Distribution Date; provided, however, that in the event that the Preferred Securities do not remain registered to a Clearing Agency, the relevant record date shall be the date 15 days prior to the relevant Distribution Date.

SECTION 4.02. Redemption. (a) (i) Upon repayment at maturity or redemption of the Debentures or as a result of acceleration of the Debentures upon the occurrence of a Debenture Event of Default, the proceeds from such repayment shall be applied to redeem the Trust Securities, in whole but not in part, at the Redemption Price.

(ii) If at any time following the Conversion Expiration Date, less than five percent (5%) in Liquidation Amount of the Preferred Securities originally issued by the Trust remain outstanding, such Preferred Securities shall be redeemable, at the option of the Depositor, in whole but not in part, from time to time, at the Redemption Price;

(iii) Upon any permitted redemption of the Debentures the proceeds from such redemption shall be applied to redeem Trust Securities having an aggregate Liquidation Amount equal to the aggregate principal amount of the Debentures so redeemed by the Depositor at the Optional Redemption Price; and

(iv) Except as provided in paragraphs (i) and (ii) of this Section, the Preferred Securities may not be redeemed prior to _____, 1999.

(b) Notice of redemption (which notice will be irrevocable) shall be given by the Property Trustee by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date to each Holder of Trust Securities to be redeemed, at such Holder's address appearing in the Security Register. All notices of redemption shall state:

- (i) the Redemption Date;
- (ii) the Redemption Price or the Optional Redemption Price, as the case may be;
- (iii) the CUSIP number;
- (iv) if less than all the Outstanding Trust Securities are to be redeemed, the identification and the total Liquidation Amount of the particular Trust Securities to be redeemed;
- (v) if the Preferred Securities are convertible,
 - (A) that a Holder of Preferred Securities who desires to convert such Preferred Securities called for redemption must satisfy the requirements for conversion contained in herein,
 - (B) the Conversion Price and (C), if previously determined, the Conversion Expiration Date;
- (vi) that on the Redemption Date the Redemption Price or the Optional Redemption Price, as the case may be, will become due and payable upon each such Trust Security to be redeemed and that Distributions thereon will cease to accrue on and after said date; and
- (vii) the place or places where such Trust Securities are to be surrendered for payment of the Redemption Price or the Optional Redemption Price, as the case may be, at which the Trust Securities are to be redeemed.

(c) The Trust Securities redeemed on each Redemption Date shall be redeemed at the Redemption Price or the Optional Redemption Price, as the case may be, with the proceeds from the contemporaneous redemption of Debentures. Redemptions of the Trust Securities shall be made and the Redemption Price or the Optional Redemption Price, as the case may be, shall be payable on each Redemption Date only to the extent that the Trust has funds then on hand and available in the Payment Account for the payment of such Redemption Price or the Optional Redemption Price, as the case may be.

(d) If the Property Trustee gives a notice of redemption in respect of any Preferred Securities, then, by 12:00 noon, New York City time, on the Redemption Date, subject to Section 4.02(c), the Property Trustee will, so long as the Preferred Securities are in book-entry-only form, irrevocably deposit with the Clearing Agency for the Preferred Securities funds sufficient to pay the applicable Redemption Price or the Optional Redemption Price, as the case may be, and will give such Clearing Agency irrevocable instructions and authority to pay the Redemption Price or the Optional Redemption Price, as the case may be, to the Holders thereof. If the Preferred Securities are no longer in book-entry only form, the Property Trustee, subject to Section 4.02(c), will irrevocably deposit with the Paying Agent funds sufficient to pay the applicable Redemption Price or Optional Redemption Price, as the case may be, and will give the Paying Agent irrevocable instructions and authority to pay the Redemption Price or the Optional

Redemption Price, as the case may be, to the Holders thereof upon surrender of their Preferred Securities Certificates. Notwithstanding the foregoing, Distributions payable on or prior to the Redemption Date for any Trust Securities called for redemption shall be payable to the Holders of such Trust Securities as they appear on the Register for the Trust Securities on the relevant record dates for the related Distribution Dates. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of Securityholders holding Trust Securities so called for redemption will cease, except the right of such Securityholders to receive the Redemption Price or the Optional Redemption Price, as the case may be, but without interest, and such Securities will cease to be outstanding. In the event that any date on which any Redemption Price or the Optional Redemption Price, as the case may be, is payable is not a Business Day, then payment of the Redemption Price or the Optional Redemption Price, as the case may be, payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day, in each case, with the same force and effect as if made on such date. In the event that payment of the Redemption Price or the Optional Redemption Price, as the case may be, in respect of any Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by the Depositor pursuant to the Guarantee, Distributions on such Trust Securities will continue to accrue, at the then applicable rate, from the Redemption Date originally established by the Trust for such Trust Securities to the date such Redemption Price or the Optional Redemption Price, as the case may be, is actually paid, in which case the actual payment date will be the date fixed for redemption for purposes of calculating the Redemption Price or the Optional Redemption Price, as the case may be.

(e) Payment of the Redemption Price or the Optional Redemption Price, as the case may be, on the Trust Securities shall be made to the record Holders thereof as they appear on the Securities Register for the Trust Securities on the relevant record date, which shall be one Business Day prior to the relevant Redemption Date; provided, however, that in the event that the Preferred Securities do not remain in book-entry-only form, the relevant record date shall be the fifteenth day prior to the Redemption Date.

(f) If less than all the Outstanding Trust Securities are to be redeemed on a Redemption Date, then the aggregate Liquidation Amount of Trust Securities to be redeemed shall be allocated on a pro rata basis (based on Liquidation Amounts) among the Common Securities and the Preferred Securities. The particular Preferred Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Property Trustee from the Outstanding Preferred

Securities not previously called for redemption, by lot or by such other method as the Property Trustee shall deem fair and appropriate; it being understood that, in the case of Preferred Securities registered in the name of and held of record by the Clearing Agency (or any successor) or any nominee, the distribution of the proceeds of such redemption will be made in accordance with the procedures of the Clearing Agency or its nominee. The Property Trustee shall promptly notify the Security Registrar in writing of the Preferred Securities selected for redemption and, in the case of any Preferred Securities selected for partial redemption, the Liquidation Amount thereof to be redeemed. For all purposes of this Trust Agreement, unless the context otherwise requires, all provisions relating to the redemption of Preferred Securities shall relate, in the case of any Preferred Securities redeemed or to be redeemed only in part, to the portion of the Liquidation Amount of Preferred Securities which has been or is to be redeemed.

SECTION 4.03. Conversion. The Holders of Preferred Securities subject to the limitations set forth in this Section shall have the right at any time prior to the Conversion Expiration Date, at their option, to cause the Conversion Agent to convert Preferred Securities, on behalf of the converting Holders, into shares of Texas Instruments Common Stock in the manner described herein on and subject to the following terms and conditions:

(i) The Preferred Securities will be convertible at the office of the Conversion Agent (which office shall be the Corporate Trust Office) into fully paid and nonassessable shares of Texas Instruments Common Stock pursuant to the Holder's direction to the Conversion Agent to exchange such Preferred Securities for a portion of the Debentures, and immediately convert such amount of Debentures into fully paid and nonassessable shares of Texas Instruments Common Stock at an initial rate of _____ shares of Texas Instruments Common Stock per \$__ principal amount of Debentures (which is equivalent to a conversion price of \$_____ per share of Texas Instruments Common Stock, subject to certain adjustments set forth in the terms of the Debentures (as so adjusted, "Conversion Price")).

(ii) In order to convert Preferred Securities into Texas Instruments Common Stock the Holder of such Preferred Securities shall submit to the Conversion Agent at the office of the Conversion Agent an irrevocable request to convert Preferred Securities on behalf of such Holder (the "Conversion Request"), together, if the Preferred Securities are in certificated form, with such certificates. The Conversion Request shall (i) set forth the number of Preferred Securities to be converted and the name or names, if other than the Holder, in which the shares of Texas Instruments Common Stock should be issued and (ii) direct the Conversion Agent (a) to exchange such Preferred Securities for a portion of the

Debentures held by the Property Trustee (at the rate of exchange specified in the preceding paragraph) and (b) to immediately convert such Debentures on behalf of such Holder, into Texas Instruments Common Stock (at the conversion rate specified in the preceding paragraph). The Conversion Agent shall notify the Property Trustee of the Holder's election to exchange Preferred Securities for a portion of the Debentures held by the Property Trustee and the Property Trustee shall, upon receipt of such notice, deliver to the Conversion Agent the appropriate principal amount of Debentures for exchange in accordance with this Section. The Conversion Agent shall thereupon notify the Depositor of the Holder's election to convert such Debentures into shares of Texas Instruments Common Stock. Holders of Preferred Securities at the close of business on a Distribution payment record date will be entitled to receive the Distribution payable on such securities on the corresponding Distribution Date notwithstanding the conversion of such Preferred Securities following such record date but prior to such Distribution Date. Except as provided above, neither the Trust nor the Depositor, will make, or be required to make, any payment allowance or adjustment upon any conversion on account of any accumulated and unpaid Distributions whether or not in arrears accrued on the Preferred Securities surrendered for conversion, or on account of any accumulated and unpaid dividends on the shares of Texas Instruments Common Stock issued upon such conversion. Preferred Securities shall be deemed to have been converted immediately prior to the close of business on the day on which a Conversion Request relating to such Preferred Securities is received by the Conversion Agent in accordance with the foregoing provision (the "Conversion Date"). The Person or Persons entitled to receive the Texas Instruments Common Stock issuable upon conversion of the Debentures shall be treated for all purposes as the record holder or holders of such Texas Instruments Common Stock at such time. As promptly as practicable on or after the Conversion Date, the Depositor shall issue and deliver at the office of the Conversion Agent a certificate or certificate for the number of full shares of Texas Instruments Common Stock issuable upon such conversion, together with the cash payment, if any, in lieu of any fraction of any share to the Person or Persons entitled to receive the same, unless otherwise directed by the Holder in the notice of conversion and the Conversion Agent shall distribute such certificate or certificates to such Person or Persons.

(iii) On and after _____, 1999 and provided that the Trust is current in the payment of Distributions on the Preferred Securities the Depositor may, at its option, cause the conversion rights of Holders of Preferred Securities to expire; provided, however, that the Depositor may exercise this option only if for 20 trading days within any period of 30

consecutive trading days, including the last trading day of such period, the Current Market Price of Texas Instruments Common Stock exceeds 120% of the Conversion Price of the Preferred Securities, subject to adjustment in certain circumstances (as described in the terms of the Debentures).

In order to exercise its option to terminate the conversion rights of the Preferred Securities the Depositor must issue a press release for publication on the Dow Jones News Service announcing the Conversion Expiration Date prior to the opening of business on the second trading day after any period in which the condition in the preceding sentence has been met, but in no event prior to _____, 1999. The press release shall announce the Conversion Expiration Date and provide the current Conversion Price and Current Market Price of Texas Instruments Common Stock, in each case as of the close of business on the trading day next preceding the date of the press release. Conversion rights will terminate at the close of business on the Conversion Expiration Date.

In addition to issuing the press release referred to in the preceding paragraph the Depositor shall send notice of the expiration of conversion rights by first-class mail to the Holders of the Preferred Securities and the Property Trustee not more than four Business Days after the Depositor issues the press release. Such mailed notice of the expiration of the conversion rights of the Holders shall state: (1) the Conversion Expiration Date; (2) the Conversion Price of the Preferred Securities and the Current Market Price of the Texas Instruments Common Stock, in each case as of the close of business on the Business Day next preceding the date of the notice of expiration of the conversion rights of the Holders; (3) the place or places at which Preferred Securities are to be surrendered prior to the Conversion Expiration Date for certificates representing shares of Texas Instruments Common Stock; and (4) such other information or instructions as the Depositor deems necessary or advisable to enable a Holder to exercise its conversion right hereunder. No defect in the notice of expiration of the conversion rights of the Holders or in the mailing thereof with respect to any Preferred Security shall affect the validity of such notice with respect to any other Preferred Security. As of the close of business on the Conversion Expiration Date, the Preferred Securities shall no longer be convertible into Texas Instruments Common Stock. In the event that the Depositor does not exercise its option to terminate the conversion rights of the Preferred Securities, the Conversion Expiration Date with respect to the Preferred Securities will be the close of business two Business Days preceding the date set for redemption of the Preferred Securities upon the maturity or redemption of the Debentures or upon the occurrence of a Debenture Event of Default.

(iv) Each Holder of a Preferred Security by his acceptance thereof appoints The First National Bank of Chicago not in its individual capacity but solely as conversion agent (the "Conversion Agent") for the purpose of effecting the conversion of Preferred Securities in accordance with this Section. In effecting the conversion and transactions described in this Section, the Conversion Agent shall be acting as agent of the Holders of Securities directing it to effect such conversion transactions. The Conversion Agent is hereby authorized (i) to exchange Preferred Securities from time to time for Debentures held by the Trust in connection with the conversion of such Preferred Securities in accordance with this Section and (ii) to convert all or a portion of the Debentures into Texas Instruments Common Stock and thereupon to deliver such shares of Texas Instruments Common Stock in accordance with the provisions of this Section and to deliver to the Trust a new Debenture or Debentures for any resulting unconverted principal amount.

(v) No fractional shares of Texas Instruments Common Stock will be issued as a result of conversion, but in lieu thereof, such fractional interest will be paid in cash by the Depositor to the Conversion Agent in an amount equal to the Current Market Price of the fractional share of the Texas Instruments Common Stock, which in turn will make such payment to the Holder or Holders of Preferred Securities so converted.

(vi) The Depositor shall at all times reserve and keep available out of its authorized and unissued Texas Instruments Common Stock, solely for insurance upon the conversion of the Debentures, such number of shares of Texas Instruments Common Stock as shall from time to time be issuable upon the conversion of all the Debentures then outstanding. Notwithstanding the foregoing, the Depositor shall be entitled to deliver upon conversion of Debentures, shares of Texas Instruments Common Stock reacquired and held in the treasury of the Depositor (in lieu of the issuance of authorized and unissued shares of Texas Instruments Common Stock), so long as any such treasury shares are free and clear of all liens, charges, security interests or encumbrances. Whenever the Depositor issues shares of Texas Instruments Common Stock upon conversion of shares of Preferred Securities and the Depositor has in effect at such time a share purchase rights agreement under which holders of Texas Instruments Common Stock are issued rights ("Rights") entitling the holders under certain circumstances to purchase an additional share or shares of Texas Instruments stock, the Depositor will issue, together with each such share of Texas Instruments Common Stock, such number of Rights (which number may be a fraction) as shall at that time be issuable with a share of Texas Instruments Common Stock pursuant to such share purchase rights

agreement (currently, half of a Right). Any shares of Texas Instruments Common Stock issued upon conversion of the Debentures shall be duly authorized, validly issued and fully paid and nonassessable. The Conversion Agent shall deliver the shares of Texas Instruments Common Stock received upon conversion of the Debentures to the converting Holder free and clear of all liens, charges, security interests and encumbrances, except for United States withholding taxes. Each of the Depositor and the Trust shall prepare and shall use its best efforts to obtain and keep in force such governmental or regulatory permits or other authorizations as may be required by law, and shall comply with all applicable requirements as to registration or qualification of the Texas Instruments Common Stock (and all requirements to list the Texas Instruments Common Stock issuable upon conversion of Debentures that are at the time applicable), in order to enable the Depositor to lawfully issue Texas Instruments Common Stock to the Trust upon conversion of the Debentures and the Trust to lawfully deliver the Texas Instruments Common Stock to each Holder upon conversion of the Preferred Securities.

(vii) The Depositor will pay any and all taxes that may be payable in respect of the issue or delivery of shares of Texas Instruments Common Stock on conversion of Debentures and the delivery of the shares of Texas Instruments Common Stock by the Trust upon conversion of the Preferred Securities. The Depositor shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Texas Instruments Common Stock in a name other than that in which the Preferred Securities so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Conversion Agent the amount of any such tax, or has established to the satisfaction of the Conversion Agent that such tax has been paid.

(viii) Nothing in this Section 4.03 shall limit the requirement of the Trust to withhold taxes pursuant to the terms of the Preferred Securities or as set forth in this Agreement or otherwise require the Property Trustee or the Trust to pay any amounts on account of such withholdings.

SECTION 4.04. Exchange of Preferred Securities for Debentures. (a) If a Special Event shall occur and be continuing, the Property Trustee shall direct the Conversion Agent to exchange all outstanding Preferred Securities for Debentures having a principal amount equal to the aggregate Liquidation Amount of the Preferred Securities to be exchanged and with accrued interest in an amount equal to any unpaid Distribution (including any Additional Amounts) on the Preferred

Securities; provided, however, that in the case of a Tax Event, the Property Trustee shall direct that less than all, or none, as appropriate, of the Preferred Securities be so exchanged if and for so long as the Depositor shall have elected to pay any Additional Sums and that the net amount received by Holders of Preferred Securities not so exchanged in respect of dividends and other distributions are not reduced as a result of such Tax Event, and shall not have revoked any such election or failed to make such payments.

(b) Notice of any exchange pursuant to this Section 4.04 (an "Exchange Notice") of the Preferred Securities, which Exchange Notice shall be irrevocable, will be given by the Property Trustee by first-class mail to each record Holder of Preferred Securities to be exchanged not fewer than 30 nor more than 60 days prior to the date fixed for exchange thereof. For purposes of the calculation of the date of exchange and the dates on which notices are given pursuant to this paragraph (b), an Exchange Notice shall be deemed to be given on the day such notice is first mailed by first-class mail, postage prepaid, to each Holder. Each Exchange Notice shall be addressed to each Holder of Preferred Securities at the address of such Holder appearing in the books and records of the Trust. Each Exchange Notice shall state: (A) the exchange date; (B) the aggregate Liquidation Amount and any unpaid Distributions (including any Additional Amounts) on the Preferred Securities to be exchanged and the aggregate principal amount and any accrued interest on the Debentures to be exchanged therefor; (C) that on the exchange date the Preferred Securities to be so exchanged shall be exchanged for Debentures and that Distributions on the Preferred Securities so exchanged will cease to accumulate on and after said date; and (D) the identity of the Conversion Agent, if any, and the place or places where each Preferred Certificate to be exchanged is to be surrendered in exchange for Debentures. No defect in the Exchange Notice or in the mailing thereof with respect to any Preferred Security shall affect the validity of the exchange proceedings for any other Preferred Security.

(c) In the event that fewer than all the outstanding Preferred Securities are to be exchanged, then on the exchange date, (i) if all of the outstanding Preferred Securities are represented by Definitive Preferred Securities Certificates, the particular Preferred Securities to be exchanged will be selected by the Property Trustee from the outstanding Preferred Securities not previously called for redemption or exchange by lot or such other method as the Property Trustee shall deem fair and appropriate, (ii) if all of the outstanding Preferred Securities are represented by Book-Entry Preferred Securities Certificates, the Property Trustee may provide for the selection for exchange of a portion of the global certificate representing the Book-Entry Preferred Securities Certificates and (iii) if outstanding Preferred Securities are represented by both Definitive Preferred Securities Certificates and Book-Entry Preferred Securities Certificates, the

Property Trustee shall select the portion of the global certificate representing the Book-Entry Preferred Securities Certificates and the particular outstanding Preferred Securities represented by Definitive Preferred Securities Certificates to be exchanged by lot or such other method as the Property Trustee shall deem fair and appropriate. In the case of clause (ii) or (iii) above, the particular Book-Entry Preferred Securities Certificates to be exchanged shall be selected in accordance with the applicable rules and procedures for the Clearing Agency in whose name, or nominee's name, such global certificate is then held. Any Preferred Securities Certificate that is to be exchanged only in part shall be surrendered with due endorsement by or a written instrument of transfer fully executed by the Holder thereof (or his attorney duly authorized in writing) and the Trust shall prepare and deliver to such Holder, without service charge, a new Preferred Securities Certificate or Certificates in aggregate stated liquidation preference equal to, and in exchange for, the unredeemed portion of the Preferred Securities Certificate so surrendered.

(d) In the event of an exchange pursuant to this Section 4.04, on the date fixed for any such exchange, (i) if the Preferred Securities are represented by Book-Entry Preferred Securities Certificates, the Clearing Agency or its nominee, as the record Holder of the Preferred Securities, will exchange through the Conversion Agent the global certificate representing the Preferred Securities to be exchanged for a registered global certificate or certificates representing the Debentures to be delivered upon such exchange, (ii) if the Preferred Securities are represented by Definitive Preferred Securities Certificates, the certificates representing the Preferred Securities to be so exchanged will be deemed to represent Debentures having a principal amount equal to the aggregate stated Liquidation Amount of such Preferred Securities until such certificates are presented to the Conversion Agent for exchange for definitive certificates representing Debentures and (iii) all rights of the Holders of the Preferred Securities so exchanged will cease, except for the right of such Holders to receive Debentures.

(e) Each Holder, by becoming a party to this Agreement pursuant to Section 10.11 of this Agreement, will be deemed to have agreed to be bound by these exchange provisions in regard to the exchange of Preferred Securities for Debentures pursuant to the terms described above.

(f) Nothing in this Section 4.04 shall limit the requirement of the Trust to withhold taxes pursuant to the terms of the Preferred Securities or as set forth in this Agreement or otherwise require the Property Trustee or the Trust to pay any amounts on account of such withholdings.

SECTION 4.05. Subordination of Common Securities. (a) Payment of Distributions (including Additional Amounts, if applicable) on, and the Redemption Price of, the Trust Securities, as applicable, shall be made pro rata based on the Liquidation Amount of the Trust Securities; provided, however, that if on any Distribution Date or Redemption Date a Debenture Event of Default shall have occurred and be continuing, no payment of any Distribution (including Additional Amounts, if applicable) on, or Redemption Price of, any Common Security, and no other payment on account of the redemption, liquidation or other acquisition of Common Securities, shall be made unless payment in full in cash of all accumulated and unpaid Distributions (including Additional Amounts, if applicable) on all Outstanding Preferred Securities for all Distribution periods terminating on or prior thereto, or in the case of payment of the Redemption Price the full amount of such Redemption Price on all Outstanding Preferred Securities, shall have been made or provided for, and all funds immediately available to the Property Trustee shall first be applied to the payment in full in cash of all Distributions (including Additional Amounts, if applicable) on, or Redemption Price of, Preferred Securities then due and payable.

(b) In the case of the occurrence of any Debenture Event of Default, the Holder of Common Securities will be deemed to have waived any right to act with respect to any such Event of Default under this Trust Agreement until the effect of all such Events of Default with respect to the Preferred Securities have been cured, waived or otherwise eliminated. Until any such Event of Default under this Trust Agreement with respect to the Preferred Securities have been so cured, waived or otherwise eliminated, the Property Trustee shall act solely on behalf of the Holders of the Preferred Securities and not the Holder of the Common Securities, and only the Holders of the Preferred Securities will have the right to direct the Property Trustee to act on their behalf.

SECTION 4.06. Payment Procedures. Payments in respect of the Preferred Securities shall be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register or, if the Preferred Securities are held by a Clearing Agency, such Distributions shall be made to the Clearing Agency in immediately available funds, in accordance with the Certificate Depositary Agreement on the applicable Distribution Dates. Payments in respect of the Common Securities shall be made in such manner as shall be mutually agreed between the Property Trustee and the Holder of the Common Securities.

SECTION 4.07. Tax Returns and Reports. The Administrative Trustees shall prepare (or cause to be prepared), at the Depositor's expense, and file all United States Federal, state and local tax and information returns and reports required to be filed by or in respect of the Trust. In this regard, the Administrative Trustee shall (a) prepare and file (or cause to be prepared or filed) the appropriate

Internal Revenue Service form required to be filed in respect of the Trust in each taxable year of the Trust and (b) prepare and furnish (or cause to be prepared and furnished) to each Securityholder the appropriate Internal Revenue Service form required to be furnished to such Securityholder or the information required to be provided on such form. The Administrative Trustees shall provide the Depositor and the Property Trustee with a copy of all such returns, reports and schedules promptly after such filing or furnishing. The Trustees shall comply with United States Federal withholding and backup withholding tax laws and information reporting requirements with respect to any payments to Securityholders under the Trust Securities.

SECTION 4.08. Payment of Taxes, Duties, Etc. of the Trust. Upon receipt under the Debentures of Additional Sums (as defined in the Indenture), the Property Trustee shall promptly pay any taxes, duties or governmental charges of whatsoever nature (other than withholding taxes) imposed on the Trust by the United States or any other taxing authority.

SECTION 4.09. Payments under Indenture. Any amount payable hereunder to any Holder of Preferred Securities (and any Owner with respect thereto) shall be reduced by the amount of any corresponding payment such Holder (and Owner) has directly received pursuant to Section 5.08 of the Indenture in accordance with the terms of Section 5.14.

ARTICLE 5 TRUST SECURITIES CERTIFICATES

SECTION 5.01. Initial Ownership. Upon the formation of the Trust and the contribution by the Depositor pursuant to Section 2.03 and until the issuance of the Trust Securities, and at any time during which no Trust Securities are outstanding, the Depositor shall be the sole beneficial owner of the Trust.

SECTION 5.02. The Trust Securities Certificates. The Preferred Securities Certificates shall be issued in minimum denominations of \$50 Liquidation Amount and integral multiples of \$50 in excess thereof, and the Common Securities Certificates shall be issued in denominations of \$50 Liquidation Amount and integral multiples thereof. The Trust Securities Certificates shall be executed on behalf of the Trust by manual or facsimile signature of at least one Administrative Trustee. Trust Securities Certificates bearing the manual or facsimile signatures of individuals who were, at the time when such signatures shall have been affixed, authorized to sign on behalf of the Trust, shall be validly issued and entitled to the benefit of this Trust Agreement, notwithstanding that such individuals or any of them shall have ceased to be so authorized prior to the delivery of such Trust Securities Certificates or did not hold such offices at the date of delivery of such

Trust Securities Certificates. A transferee of a Trust Securities Certificate shall become a Securityholder, and shall be entitled to the rights and subject to the obligations of a Securityholder hereunder, upon due registration of such Trust Securities Certificate in such transferee's name pursuant to Section 5.04.

SECTION 5.03. Delivery of Trust Securities Certificates. On the Closing Date, the Administrative Trustees shall cause Trust Securities Certificates, in an aggregate Liquidation Amount as provided in Sections 2.04 and 2.05, to be executed on behalf of the Trust and delivered to or upon the written order of the Depositor, signed by its chairman of the board, its president, any senior vice president or any vice president, treasurer or assistant treasurer or controller without further corporate action by the Depositor, in authorized denominations.

SECTION 5.04. Registration of Transfer and Exchange of Preferred Securities Certificates. The Securities Registrar shall keep or cause to be kept, at the office or agency maintained pursuant to Section 5.08, a Securities Register in which, subject to such reasonable regulations as it may prescribe, the Securities Registrar shall provide for the registration of Preferred Securities Certificates and Common Securities Certificates (subject to Section 5.10 in the case of the Common Securities Certificates) and registration of transfers and exchanges of Preferred Securities Certificates as herein provided. The Bank shall be the initial Securities Registrar.

Upon surrender for registration of transfer of any Preferred Securities Certificate at the office or agency maintained pursuant to Section 5.08, the Administrative Trustees or any one of them shall execute and deliver, in the name of the designated transferee or transferees, one or more new Preferred Securities Certificates in authorized denominations of a like aggregate Liquidation Amount dated the date of execution by such Administrative Trustee or Trustees. The Securities Registrar shall not be required to register the transfer of any Preferred Securities that have been called for redemption. At the option of a Holder, Preferred Securities Certificates may be exchanged for other Preferred Securities Certificates in authorized denominations of the same class and of a like aggregate Liquidation Amount upon surrender of the Preferred Securities Certificates to be exchanged at the office or agency maintained pursuant to Section 5.08.

Every Preferred Securities Certificate presented or surrendered for registration of transfer or exchanged shall be accompanied by a written instrument of transfer in form satisfactory to the Securities Registrar duly executed by the Holder or his attorney duly authorized in writing. Each Preferred Securities Certificate surrendered for registration of transfer or exchange shall be canceled and subsequently disposed of by the Securities Registrar in accordance with its customary practice.

No service charge shall be made for any registration of transfer or exchange of Preferred Securities Certificates, but the Securities Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Preferred Securities Certificates.

SECTION 5.05. Mutilated, Destroyed, Lost or Stolen Trust Securities Certificates. If (a) any mutilated Trust Securities Certificate shall be surrendered to the Securities Registrar, or if the Securities Registrar shall receive evidence to its satisfaction of the destruction, loss or theft of any Trust Securities Certificate and (b) there shall be delivered to the Securities Registrar and the Administrative Trustees such security or indemnity as may be required by them to save each of them harmless, then in the absence of notice that such Trust Securities Certificate shall have been acquired by a bona fide purchaser, the Administrative Trustees, or any one of them, on behalf of the Trust shall execute and make available for delivery, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Trust Securities Certificate, a new Trust Securities Certificate of like class, tenor and denomination. In connection with the issuance of any new Trust Securities Certificate under this Section, the Securities Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicative Trust Securities Certificate issued pursuant to this Section shall constitute conclusive evidence of an undivided beneficial interest in the assets of the Trust, as if originally issued, whether or not the lost, stolen or destroyed Trust Securities Certificate shall be found at any time.

SECTION 5.06. Persons Deemed Securityholders. The Property Trustee and the Securities Registrar shall treat the Person in whose name any Trust Securities Certificate shall be registered in the Securities Register as the owner of such Trust Securities Certificate for the purpose of receiving Distributions and for all other purposes whatsoever, and neither the Property Trustee nor the Securities Registrar shall be bound by any notice to the contrary.

SECTION 5.07. Access to List of Securityholders' Name and Addresses. The Administrative Trustees or the Depositor shall furnish or cause to be furnished (a) to the Property Trustee, semi-annually on or before January 15 and July 15 in each year, a list, in such form as the Property Trustee may reasonably require, of the names and addresses of the Securityholders as of the most recent Record Date and (b) to the Property Trustee, promptly after receipt by the Depositor of a request therefor from the Property Trustee in order to enable the Property Trustee to discharge its obligations under this Trust Agreement, in each case to the extent such information is in the possession or control of the Administrative Trustees or the Depositor and is not identical to a previously supplied list or has not otherwise been received by the Property Trustee in its capacity as Securities Registrar. The

rights of Securityholders to communicate with other Securityholders with respect to their rights under this Trust Agreement or under the Trust Securities, and the corresponding rights of the Trustee shall be as provided in the Trust Indenture Act. Each Holder, by receiving and holding a Trust Securities Certificate, and each Owner shall be deemed to have agreed not to hold the Depositor, the Property Trustee or the Administrative Trustees accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

SECTION 5.08. Maintenance of Office or Agency. The Securities Registrar shall maintain in The City of New York, an office or offices or agency or agencies where Preferred Securities Certificates may be surrendered for registration of transfer, exchange or conversion and where notices and demands to or upon the Trustees in respect of the Trust Securities Certificates may be served. The Securities Registrar initially designates First Chicago Trust Company of New York, 14 Wall Street, 8th Floor, Window 2, New York, York 10005, as its principal corporate trust office for such purposes. The Securities Registrar shall give prompt written notice to the Depositor and to the Securityholders of any change in the location of the Securities Register or any such office or agency.

SECTION 5.09. Appointment of Paying Agent. The Paying Agent shall make distributions to Securityholders from the Payment Account and shall report the amounts of such distributions to the Property Trustee and the Administrative Trustees. Any Paying Agent shall have the revocable power to withdraw funds from the Payment Account for the purpose of making the distributions referred to above. The Administrative Trustees may revoke such power and remove the Paying Agent if such Trustees determine in their sole discretion that the Paying Agent shall have failed to perform its obligations under this Trust Agreement in any material respect. The Paying Agent shall initially be the Bank, and any co-paying agent chosen by the Bank, and acceptable to the Administrative Trustees and the Depositor. Any Person acting as Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Administrative Trustees, the Property Trustee and the Depositor. In the event that the Bank shall no longer be the Paying Agent or a successor Paying Agent shall resign or its authority to act be revoked, the Administrative Trustees shall appoint a successor that is acceptable to the Property Trustee and the Depositor to act as Paying Agent (which shall be a bank or trust company). Each successor Paying Agent or any additional Paying Agent shall agree with the Trustees that as Paying Agent, such successor Paying Agent or additional Paying Agent will hold all sums, if any, held by it for payment to the Securityholders in trust for the benefit of the Securityholders entitled thereto until such sums shall be paid to each Securityholder. The Paying Agent shall return all unclaimed funds to the Property Trustee and upon removal of a Paying Agent such Paying Agent shall also return all funds in its possession to the

Property Trustee. The provisions of Sections 8.01, 8.03 and 8.06 shall apply to the Bank also in its role as Paying Agent, for so long as the Bank shall act as Paying Agent and, to the extent applicable, to any other paying agent appointed hereunder. Any reference in this Agreement to the Paying Agent shall include any co-paying agent unless the context requires otherwise.

SECTION 5.10. Ownership of Common Securities by Depositor. On the Closing Date and on each other date provided for in Section 2.05, the Depositor shall acquire and retain beneficial and record ownership of the Common Securities. To the fullest extent permitted by law, any attempted transfer of the Common Securities shall be void. The Administrative Trustees shall cause each Common Securities Certificate issued to the Depositor to contain a legend stating "THIS CERTIFICATE IS NOT TRANSFERABLE".

SECTION 5.11. Book Entry Preferred Securities Certificates; Common Securities Certificate. (a) The Preferred Securities Certificates, upon original issuance, will be issued in the form of a typewritten Preferred Securities Certificate or Certificates representing Book-Entry Preferred Securities Certificates, to be delivered to The Depository Trust Company, the initial Clearing Agency, by, or on behalf of, the Trust. Such Preferred Securities Certificate or Certificates shall initially be registered on the Securities Register in the name of Cede & Co., the nominee of the initial Clearing Agency, and no beneficial owner will receive a Definitive Preferred Securities Certificate representing such beneficial owner's interest in such Preferred Securities, except as provided in Section 5.13. Unless and until Definitive Preferred Securities Certificates have been issued to beneficial owners pursuant to Section 5.13:

(i) the provisions of this Section 5.11(a) shall be in full force and effect;

(ii) the Securities Registrar and the Trustees shall be entitled to deal with the Clearing Agency for all purposes of this Trust Agreement relating to the Book-Entry Preferred Securities Certificates (including the payment of principal of and interest on the Book-Entry Preferred Securities and the giving of instructions or directions to Owners of Book-Entry Preferred Securities) as the sole Holder of Book-Entry Preferred Securities and shall have no obligations to the Owners thereof;

(iii) to the extent that the provisions of this Section 5.11 conflict with any other provisions of this Trust Agreement, the provisions of this Section 5.11 shall control; and

(iv) the rights of the Owners of the Book-Entry Preferred Securities Certificates shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Owners and the Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Certificate Depository Agreement, unless and until Definitive Preferred Securities Certificates are issued pursuant to Section 5.13, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit payments on the Preferred Securities to such Clearing Agency Participants.

(b) A single Common Securities Certificate representing the Common Securities shall be issued to the Depositor in the form of a definitive Common Securities Certificate.

SECTION 5.12. Notices to Clearing Agency. To the extent that a notice or other communication to the Owners is required under this Trust Agreement, unless and until Definitive Preferred Securities Certificates shall have been issued to Owners pursuant to Section 5.13, the Trustees shall give all such notices and communications specified herein to be given to Owners to the Clearing Agency, and shall have no obligations to the Owners.

SECTION 5.13. Definitive Preferred Securities Certificates. If (a) the Depositor advises the Trustees in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities with respect to the Preferred Securities Certificates, and the Depositor is unable to locate a qualified successor, (b) the Depositor at its option advises the Trustees in writing that it elects to terminate the book-entry system through the Clearing Agency, or (c) after the occurrence of a Debenture Event of Default, Owners of Preferred Securities Certificates representing beneficial interests aggregating at least a majority of the Liquidation Amount advise the Clearing Agency in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interest of the Owners of Preferred Securities Certificates, then the Clearing Agency shall notify all Owners of Preferred Securities Certificates and the Trustees of the occurrence of any such event and of the availability of the Definitive Preferred Securities Certificates to Owners of such class or classes, as applicable, requesting the same. Upon surrender to the Administrative Trustees of the typewritten Preferred Securities Certificate or Certificates representing the Book Entry Preferred Securities Certificates by the Clearing Agency, accompanied by registration instructions, the Administrative Trustees, or any one of them, shall execute the Definitive Preferred Securities Certificates in accordance with the instructions of the Clearing Agency. Neither the Securities Registrar nor the Trustees shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon

the issuance of Definitive Preferred Securities Certificates, the Trustees shall recognize the Holder of the Definitive Preferred Securities Certificates as Securityholders. The Definitive Preferred Securities Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Administrative Trustees, as evidenced by the execution thereof by the Administrative Trustees or any one of them.

SECTION 5.14. Rights of Securityholders. (a) The legal title to the Trust Property is vested exclusively in the Property Trustee (in its capacity as such) in accordance with Section 2.09, and the Securityholders shall not have any right or title therein other than the undivided beneficial interest in the assets of the Trust conferred by their Trust Securities and they shall have no right to call for any partition or division of property, profits or rights of the Trust except as described below. The Trust Securities shall be personal property giving only the rights specifically set forth therein and in this Trust Agreement. The Trust Securities shall have no preemptive or similar rights and when issued and delivered to Securityholders against payment of the purchase price therefor will be fully paid and nonassessable by the Trust. The Holders of the Trust Securities, in their capacities as such, shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

(b) For so long as any Preferred Securities remain Outstanding, if, upon a Debenture Event of Default, the Debenture Trustee fails or the holders of not less than 25% in principal amount of the outstanding Debentures fail to declare the principal of all of the Debentures to be immediately due and payable, the Holders of at least 25% in Liquidation Amount of the Preferred Securities then Outstanding shall have such right by a notice in writing to the Depositor and the Debenture Trustee; and upon any such declaration such principal amount of and the accrued interest on all of the Debentures shall become immediately due and payable, provided that the payment of principal and interest on such Debentures shall remain subordinated to the extent provided in the Indenture.

At any time after such a declaration of acceleration with respect to the Debentures has been made and before a judgment or decree for payment of the money due has been obtained by the Debenture Trustee as in the Indenture provided, the Holders of a majority in Liquidation Amount of the Preferred Securities, by written notice to the Property Trustee, the Depositor and the Debenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Depositor has paid or deposited with the Debenture Trustee a sum sufficient to pay

(A) all overdue installments of interest (including any Additional Interest (as defined in the Indenture) on all of the Debentures.

(B) the principal of (and premium, if any, on) any Debentures which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Debentures, and

(C) all sums paid or advanced by the Debenture Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Debenture Trustee and the Property Trustee, their agents and counsel; and

(ii) all Events of Default with respect to the Debentures, other than the non-payment of the principal of the Debentures which has become due solely by such acceleration, have been cured or waived as provided in Section 5.13 of the Indenture.

The Holders of a majority in Liquidation Amount of the Preferred Securities may, on behalf of the Holders of all the Preferred Securities, waive any past default under the Indenture, except a default in the payment of principal or interest (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Debenture Trustee) or a default in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding Debenture. No such rescission shall affect any subsequent default or impair any right consequent thereon.

Upon receipt by the Property Trustee of written notice declaring such an acceleration, or rescission and annulment thereof, by Holders of the Preferred Securities all or part of which is represented by Book-Entry Preferred Securities Certificates, a record date shall be established for determining Holders of Outstanding Preferred Securities entitled to join in such notice, which record date shall be at the close of business on the day the Property Trustee receives such notice. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; provided, that, unless such declaration of acceleration, or rescission and annulment, as the case may be, shall have become effective by virtue of the requisite percentage having joined in such notice prior to the day which is 90 days after such record date, such notice of declaration of acceleration, or rescission and annulment, as the case may be, shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, after expiration of such 90-day

period, a new written notice of declaration of acceleration, or rescission and annulment thereof, as the case may be, that is identical to a written notice which has been canceled pursuant to the proviso to the preceding sentence, in which event a new record date shall be established pursuant to the provisions of this Section 5.14(b).

(c) For so long as any Preferred Securities remain Outstanding, to the fullest extent permitted by law and subject to the terms of this Trust Agreement and the Indenture, upon a Debenture Event of Default specified in Section 5.01 or 5.02 of the Indenture, any Holder of Preferred Securities shall have the right to institute a proceeding directly against the Depositor, pursuant to Section 5.08 of the Indenture, for enforcement of payment to such Holder of the principal amount of or interest on Debentures having a principal amount equal to the Liquidation Amount of the Preferred Securities of such Holder (a "Direct Action"). In connection with any such Direct Action, the rights of the Holders of the Common Securities will be subrogated to the rights of any Holder of the Preferred Securities to the extent of any payment made by the Depositor to such Holder of Preferred Securities as a result of such Direct Action. Except as set forth in Section 5.14(b) and (c), the Holders of Preferred Securities shall have no right to exercise directly any right or remedy available to the holders of, or in respect of, the Debentures.

ARTICLE 6
ACT OF SECURITYHOLDERS; MEETINGS; VOTING

SECTION 6.01. Limitations on Voting Rights. (a) Except as provided in this Section, in Sections 8.10 and 10.02 and in the Indenture and as otherwise required by law, no Holder of Preferred Securities shall have any right to vote or in any manner otherwise control the administration, operation and management of the Trust or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Trust Securities Certificates, be construed so as to constitute the Securityholders from time to time as partners or members of an association.

(b) So long as any Debentures are held by the Property Trustee, the Trustees shall not (i) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee, or executing any trust or power conferred on the Debenture Trustee with respect to such Debentures, (ii) waive any past default which is waiveable under Section 5.13 of the Indenture, (iii) exercise any right to rescind or annul a declaration that the

principal of all the Debentures shall be due and payable or (iv) consent to any amendment, modification or termination of the Indenture or the Debentures, where such consent shall be required, without, in each case, obtaining the prior approval of the Holder of at least a majority in Liquidation Amount of all Outstanding Preferred Securities; provided, however, that where a consent under the Indenture would require the consent of each holder of Debentures affected thereby, no such consent shall be given by the Property Trustee without the prior written consent of each Holder of Preferred Securities. The Trustees shall not revoke any action previously authorized or approved by a vote of the Preferred Securities, except by a subsequent vote of the Preferred Securities. The Property Trustee shall notify all Holders of the Preferred Securities of any notice of default received from the Debenture Trustee with respect to the Debentures. In addition to obtaining the foregoing approvals of the Holders of the Preferred Securities, prior to taking any of the foregoing actions, the Trustees shall, at the expense of the Depositor, obtain an Opinion of Counsel experienced in such matters to the effect that the Trust will not be classified as an association taxable as a corporation or partnership for United States Federal income tax purposes on account of such action.

(c) If any proposed amendment to the Trust Agreement provides for, or the Trustees otherwise propose to effect, (i) any action that would adversely affect in any material respect the powers, preferences or special rights of the Preferred Securities, whether by way of amendment to the Trust Agreement or otherwise, or (ii) the dissolution, winding-up or termination of the Trust, other than pursuant to the terms of this Trust Agreement, then the Holders of Outstanding Preferred Securities as a class will be entitled to vote on such amendment or proposal and such amendment or proposal shall not be effective except with the approval of the Holders of at least a majority in Liquidation Amount of the Outstanding Preferred Securities.

SECTION 6.02. Notice of Meetings. Notice of all meetings of the Holders of the Preferred Securities, stating the time, place and purpose of the meeting, shall be given by the Property Trustee pursuant to Section 10.08 to each Preferred Securityholder of record, at his registered address, at least 15 days and not more than 90 days before the meeting. At any such meeting, any business properly before the meeting may be so considered whether or not stated in the notice of the meeting. Any adjourned meeting may be held as adjourned without further notice.

SECTION 6.03. Meetings of Preferred Securityholders. No annual meeting of Securityholders is required to be held. The Administrative Trustees, however, shall call a meeting of Securityholders to vote on any matter upon the written request of the Preferred Securityholders of record of 25% of the Preferred Securities (based upon their Liquidation Amount) and the Administrative Trustees or the Property Trustee may, at any time in their discretion, call a meeting of the

Holders of Preferred Securities to vote on any matters as to which such Holders are entitled to vote.

Holders of record of 50% of the Preferred Securities (based upon their Liquidation Amount), present in person or by proxy, shall constitute a quorum at any meeting of Securityholders.

If a quorum is present at a meeting, an affirmative vote by the Holders of record of Preferred Securities present, in person or by proxy, holding more than a majority of the Preferred Securities (based upon their Liquidation Amount) held by Holders of record of Preferred Securities present, either in person or by proxy, at such meeting shall constitute the action of the Securityholders, unless this Trust Agreement requires a greater number of affirmative votes.

SECTION 6.04. Voting Rights. Securityholders shall be entitled to one vote for each \$50 of Liquidation Amount represented by their Trust Securities in respect of any matter as to which such Securityholders are entitled to vote.

SECTION 6.05. Proxies, Etc. At any meeting of Securityholders, any Securityholders entitled to vote there at may vote by proxy, provided that no proxy shall be voted at any meeting unless it shall have been placed on file with the Administrative Trustees, or with such other officer or agent of the Trust as the Administrative Trustees may direct, for verification prior to the time at which such vote shall be taken. Pursuant to a resolution of the Property Trustee, proxies may be solicited in the name of the Property Trustee or one or more officers of the Property Trustee. Only Securityholders of record shall be entitled to vote. When Trust Securities are held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Trust Securities, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote shall not be received in respect of such Trust Securities. A proxy purporting to be executed by or on behalf of a Securityholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger. No proxy shall be valid more than three years after its date of execution.

SECTION 6.06. Securityholder Action by Written Consent. Any action which may be taken by Securityholders at a meeting may be taken without a meeting if Securityholders holding more than a majority of all Outstanding Trust Securities (based upon their Liquidation Amount) entitled to vote in respect of such action (or such larger proportion thereof as shall be required by any express provision of this Trust Agreement) shall consent to the action in writing.

SECTION 6.07. Record Date for Voting and Other Purposes. For the purposes of determining the Securityholders who are entitled to notice of and to vote at any meeting or by written consent, or to participate in any Distribution on the Trust Securities in respect of which a record date is not otherwise provided for in this Trust Agreement, or for the purpose of any other action, the Property Trustee may from time to time fix a date, not more than 90 days prior to the date of any meeting of Securityholders or the payment of Distributions or other action, as the case may be, as a record date for the determination of the identity of the Securityholders of record for such purposes.

SECTION 6.08. Acts of Securityholders. Any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Trust Agreement to be given, made or taken by Securityholders or Owners may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Securityholders or Owners in person or by an agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to an Administrative Trustee. Such instrument or instruments (and the action embodied therein and evidence thereby) are herein sometimes referred to as the "Act" of the Securityholders or Owners signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Trust Agreement and (subject to Section 8.01) conclusive in favor of the Trustees, if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which any Trustee receiving the same deems sufficient.

The ownership of Preferred Securities shall be proved by the Securities Register.

Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Securityholder of any Trust Security shall bind every future Securityholder of the same Trust Security and the Securityholder of every Trust Security issued upon the registration of transfer thereof or in exchange therefor or

in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustees or the Trust in reliance thereon, whether or not notation of such action is made upon such Trust Security.

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

If any dispute shall arise between the Securityholders and the Administrative Trustees or among such Securityholders or Trustees with respect to the authenticity, validity or binding nature of any request, demand, authorization, direction, consent, waiver or other Act of such Securityholder or Trustee under this Article VI, then the determination of such matter by the Property Trustee shall be conclusive with respect to such matter.

A Securityholder may institute a legal proceeding directly against the Depositor under the Guarantee to enforce its rights under the Guarantee without first instituting a legal proceeding against the Guarantee Trustee (as defined in the Guarantee), the Trust or any person or entity.

SECTION 6.09. Inspection of Records. Upon reasonable notice to the Administrative Trustees and the Property Trustee, the records of the Trust shall be open to inspection by Securityholders during normal business hours for any purpose reasonably related to such Securityholder's interest as a Securityholder.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

SECTION 7.01. Representations and Warranties of the Bank, the Property Trustee and the Delaware Trustee. The Bank, the Property Trustee and the Delaware Trustee, each severally on behalf of and as to itself, hereby represents and warrants for the benefit of the Depositor and the Securityholders that:

(a) the Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States;

(b) the Delaware Trustee is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware;

(c) each of the Bank and the Delaware Trustee has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Trust Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Trust Agreement;

(d) this Trust Agreement has been duly authorized, executed and delivered by each of the Bank and the Delaware Trustee and constitutes the valid and legally binding agreement of the Bank and the Delaware Trustee enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(e) the execution, delivery and performance by each of the Bank and the Delaware Trustee of this Trust Agreement has been duly authorized by all necessary corporate or other action on the part of the Bank, the Property Trustee and the Delaware Trustee and does not require any approval of stockholders of the Bank or the Delaware Trustee and such execution, delivery and performance will not (i) violate either of the Bank's or the Delaware Trustee's charter or by-laws, (ii) violate any provision of, or constitute, with or without notice or lapse of time, a default under, or result in the creation or imposition of, any Lien on any properties included in the Trust Property pursuant to the provision of, any indenture, mortgage, credit agreement, license or other agreement or instrument to which the Property Trustee, the Bank or the Delaware Trustee is a party or by which it is bound, or (iii) violate any law, governmental rule or regulation of the United States or the State of Delaware, as the case may be, governing the banking, corporate, or trust powers of the Bank, the Property Trustee or the Delaware Trustee (as appropriate in context) or any order, judgment or decree applicable to the Property Trustee, the Bank or the Delaware Trustee;

(f) neither the authorization, execution or delivery by the Bank or the Delaware Trustee of this Trust Agreement nor the consummation of any of the transactions by the Bank, the Property Trustee or the Delaware Trustee (as appropriate in context) contemplated herein or therein requires the consent or approval of, the giving of notice to, the registration with or the taking of any other action with respect to any governmental authority or agency under any existing Federal law governing the banking, corporate or trust powers of the Bank, the Property Trustee or the Delaware Trustee, as the case may be, under the laws of the United States or the State of Delaware;

(g) there are no proceedings pending or, to the best of each of the Bank's, the Property Trustee's and the Delaware Trustee's knowledge, threatened against or affecting the Bank, the Property Trustee or the Delaware Trustee in any

court or before any governmental authority, agency or arbitration board or tribunal which, individually or in the aggregate, would materially and adversely affect the Trust or would question the right, power and authority of the Bank, the Property Trustee or the Delaware Trustee, as the case may be, to enter into or perform its obligations as one of the Trustees under this Trust Agreement.

SECTION 7.02. Representations and Warranties of Depositor. The Depositor hereby represents and warrants for the benefit of the Securityholders that:

(a) the Trust Securities Certificates issued on the Closing Date on behalf of the Trust have been duly authorized and will have been, duly and validly executed, issued and delivered by the Trustees pursuant to the terms and provisions of, and in accordance with the requirements of, this Trust Agreement and the Securityholders will be, as of such date, entitled to the benefits of this Trust Agreement; and

(b) there are no taxes, fees or other governmental charges payable by the Trust (or the Trustees on behalf of the Trust) under the laws of the State of Delaware or any political subdivision thereof in connection with the execution, delivery and performance by the Bank, the Property Trustee or the Delaware Trustee, as the case may be, of this Trust Agreement.

ARTICLE 8 THE TRUSTEES

SECTION 8.01. Certain Duties and Responsibilities. (a) The duties and responsibilities of the Trustees shall be as provided by this Trust Agreement and, in the case of the Property Trustee, by the Trust Indenture Act. Notwithstanding the foregoing, no provision of this Trust Agreement shall require the Trustees to expend or risk their own funds or otherwise incur any financial liability in the performance of any of their duties hereunder, or in the exercise of any of their rights or powers, if they shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not therein expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustees shall be subject to the provisions of this Section. Nothing in this Trust Agreement shall be construed to release the Administrative Trustees from liability for their own grossly negligent action, their own grossly negligent failure to act, or their own willful misconduct. To the extent that, at law or in equity, an Administrative Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to the Securityholders, such Administrative Trustee shall not be liable to the Trust or to any Securityholder for such Administrative Trustee's good faith reliance on the provisions of this Trust Agreement. The provisions of this Trust Agreement, to the extent that they

restrict the duties and liabilities of the Administrative Trustees otherwise existing at law or in equity, are agreed by the Depositor and the Securityholders to replace such other duties and liabilities of the Administrative Trustees.

(b) All payments made by the Property Trustee or a Paying Agent in respect of the Trust Securities shall be made only from the revenue and proceeds from the Trust Property and only to the extent that there shall be sufficient revenue or proceeds from the Trust Property to enable the Property Trustee or a Paying Agent to make payments in accordance with the terms hereof. Each Securityholder, by its acceptance of a Trust Security, agrees that it will look solely to the revenue and proceeds from the Trust Property to the extent legally available for distribution to it as herein provided and that the Trustees are not personally liable to it for any amount distributable in respect of any Trust Security or for any other liability in respect of any Trust Security. This Section 8.01(b) does not limit the liability of the Trustees expressly set forth elsewhere in this Trust Agreement or, in the case of the Property Trustee, in the Trust Indenture Act.

(c) No provision of this Trust Agreement shall be construed to relieve the Property Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) the Property Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Property Trustee, unless it shall be proved that the Property Trustee was negligent in ascertaining the pertinent facts;

(ii) the Property Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in Liquidation Amount of the Trust Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under this Trust Agreement;

(iii) the Property Trustee's sole duty with respect to the custody, safekeeping and physical preservation of the Debentures and the Payment Account shall be to deal with such property in a similar manner as the Property Trustee deals with similar property for its own account, subject to the protections and limitations on liability afforded to the Property Trustee under this Trust Agreement and the Trust Indenture Act;

(iv) The Property Trustee shall not be liable for any interest on any money received by it except as it may otherwise agree with the

Depositor and money held by the Property Trustee need not be segregated from other funds held by it except in relation to the Payment Account maintained by the Property Trustee pursuant to Section 3.01 and except to the extent otherwise required by law; and

(v) the Property Trustee shall not be responsible for monitoring the compliance by the Administrative Trustees or the Depositor with their respective duties under this Trust Agreement, nor shall the Property Trustee be liable for the default or misconduct of the Administrative Trustees or the Depositor.

SECTION 8.02. Notice of Defaults. Within five Business Days after the occurrence of any Event of Default actually known to the Property Trustee, the Property Trustee shall transmit, in the manner and to the extent provided in Section 10.08, notice of such Event of Default to the Securityholders, the Administrative Trustees and the Depositor, unless such Event of Default shall have been cured or waived.

Within five Business Days after the receipt of notice of the Depositor's exercise of its right to extend the interest payment period for the Debentures pursuant to the Indenture, the Property Trustee shall transmit, in the manner and to the extent provided in Section 10.08, notice of such exercise to the Securityholders, unless such exercise shall have been revoked.

SECTION 8.03. Certain Rights of Property Trustee. Subject to the provisions of Section 8.01:

(a) the Property Trustee may rely and shall be protected in acting or refraining from acting in good faith upon any resolution, Opinion of Counsel, certificate, written representation of a Holder or transferee, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) if, (i) in performing its duties under this Trust Agreement the Property Trustee is required to decide between alternative courses of action or (ii) in construing any of the provisions in this Trust Agreement the Property Trustee finds the same ambiguous or inconsistent with any other provisions contained herein or (iii) the Property Trustee is unsure of the application of any provision of this Trust Agreement, then, except as to any matter as to which the Holders of Preferred Securities are entitled to vote under the terms of this Trust Agreement, the Property Trustee shall deliver a notice to the Depositor requesting written

instructions of the Depositor as to the course of action to be taken and the Property Trustee shall take such action, or refrain from taking such action, as the Property Trustee shall be instructed in writing to take, or to refrain from taking, by the Depositor; provided, however, that if the Property Trustee does not receive such instructions of the Depositor within ten Business Days after it has delivered such notice, or such reasonably shorter period of time set forth in such notice (which to the extent practicable shall not be less than two Business Days), it may, but shall be under no duty to, take or refrain from taking such action not inconsistent with this Trust Agreement as it shall deem advisable and in the best interests of the Securityholders, in which event the Property Trustee shall have no liability except for its own bad faith, negligence or willful misconduct;

(c) any direction or act of the Depositor or the Administrative Trustees contemplated by this Trust Agreement shall be sufficiently evidenced by an Officers' Certificate;

(d) whenever in the administration of this Trust Agreement, the Property Trustee shall deem it desirable that a matter be established before undertaking, suffering or omitting any action hereunder, the Property Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Depositor or the Administrative Trustees;

(e) the Property Trustee shall have no duty to see to any recording, filing or registration of any instrument (including any financing or continuation statement or any filing under tax or securities laws) or any rerecording, refiling or reregistration thereof;

(f) the Property Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon and in accordance with such advice, such counsel may be counsel to the Depositor or any of its Affiliates, and may include any of its employees; the Property Trustee shall have the right at any time to seek instructions concerning the administration of this Trust Agreement from any court of competent jurisdiction;

(g) the Property Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request or direction of any of the Securityholders pursuant to this Trust Agreement, unless such Securityholders shall have offered to the Property Trustee reasonable security or

indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(h) the Property Trustee shall not be bound to make any investigation into the facts or matters stated in any resolutions, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other evidence of indebtedness or other paper or document, unless requested in writing to do so by Holders of record of 25% or more of the Preferred Securities (based upon their Liquidation Amount), but the Property Trustee may make such further inquiry or investigation into such facts or matters as it may see fit;

(i) the Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents or attorneys or an Affiliate, provided that the Property Trustee shall be responsible for its own negligence or recklessness with respect to selection of any agent or attorney appointed by it hereunder;

(j) whenever in the administration of this Trust Agreement the Property Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder the Property Trustee (i) may request instructions from the Holders of the Trust Securities which instructions may only be given by the Holders of the same proportion in Liquidation Amount of the Trust Securities as would be entitled to direct the Property Trustee under the terms of the Trust Securities in respect of such remedy, right or action, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be protected in acting in accordance with such instructions; and

(k) except as otherwise expressly provided by this Trust Agreement, the Property Trustee shall not be under any obligation to take any action that is discretionary under the provisions of this Trust Agreement.

No provision of this Trust Agreement shall be deemed to impose any duty or obligation on the Property Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it, in any jurisdiction in which it shall be illegal, or in which the Property Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts, or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Property Trustee shall be construed to be a duty.

SECTION 8.04. Not Responsible for Recitals or Issuance of Securities. The recitals contained herein and in the Trust Securities Certificates shall be taken

as the statements of the Trust, and the Trustees do not assume any responsibility for their correctness. The Trustees shall not be accountable for the use or application by the Depositor of the proceeds of the Debentures.

SECTION 8.05. May Hold Securities. Except as provided in the definition of the term "Outstanding" in Article I, any Trustee or any other agent of any Trustee or the Trust, in its individual or any other capacity, may become the owner or pledgee of Trust Securities and, subject to Section 8.08 and 8.13, may otherwise deal with the Trust with the same rights it would have if it were not a Trustee or such other agent.

SECTION 8.06. Compensation; Indemnity; Fees. The Depositor agrees:

(a) to pay the Trustees from time to time reasonable compensation for all services rendered by them hereunder (which compensation shall be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustees upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustees in accordance with any provision of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith;

(c) to the fullest extent permitted by applicable law, to indemnify and hold harmless (i) each Trustee, (ii) any Affiliate of any Trustee, (iii) any officer, director, shareholder, employee, representative or agent of any Trustee, and (iv) any employee or agent of the Trust or its Affiliates, (referred to herein as an "Indemnified Person") from and against any loss, damage, liability, tax, penalty, expense or claim of any kind or nature whatsoever incurred by such Indemnified Person by reason of the creation, operation or termination of the Trust or any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Trust Agreement, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Person by reason of negligence or willful misconduct with respect to such acts or omissions; and

(d) to the fullest extent permitted by applicable law, to advance expenses (including legal fees) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Depositor of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified as authorized in the preceding subsection.

The provisions of this Section 8.06 shall survive the termination of this Trust Agreement.

No Trustee may claim any lien or charge on any Trust Property as a result of any amount due pursuant to this Section 8.06.

The Depositor and any Trustee may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the Holders of Trust Securities shall have no rights by virtue of this Trust Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. Neither the Depositor, nor any Trustee, shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and the Depositor or any Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity. Any Trustee may engage or be interested in any financial or other transaction with the Depositor or any Affiliate of the Depositor, or may act as depository for, trustee or agent for, or act on any committee or body of holders of, securities or other obligations of the Depositor or its Affiliates.

SECTION 8.07. Corporate Property Trustee Required; Eligibility of Trustees. (a) There shall at all times be a Property Trustee hereunder with respect to the Trust Securities. The Property Trustee shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus

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

(b) There shall at all times be one or more Administrative Trustees hereunder with respect to the Trust Securities. Each Administrative Trustee shall be either a natural person who is at least 21 years of age or a legal entity that shall act through one or more persons authorized to bind that entity.

(c) There shall at all times be a Delaware Trustee with respect to the Trust Securities. The Delaware Trustee shall either be (i) a natural person who is at least 21 years of age and a resident of the State of Delaware or (ii) a legal entity with its principal place of business in the State of Delaware and that otherwise meets the requirements of applicable Delaware law that shall act through one or more persons authorized to bind such entity.

SECTION 8.08. Conflicting Interests. If the Property Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Property Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Trust Agreement.

SECTION 8.09. Co-trustees and Separate Trustee. Unless an Event of Default shall have occurred and be continuing, at any time or times, for the purpose of meeting the legal requirements of the Trust Indenture Act or of any jurisdiction in which any part of the Trust Property may at the time be located, the Depositor and the Administrative Trustees, by agreed action of the majority of such Trustees, shall have power to appoint, and upon the written request of the Administrative Trustees, the Depositor shall for such purpose join with the Administrative Trustees in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Property Trustee either to act as co-trustee, jointly with the Property Trustee, of all or any part of such Trust Property, or to the extent required by law to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Depositor does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case a Debenture Event of Default has occurred and is continuing, the Property Trustee alone shall have power to make such appointment. Any co-trustee or separate trustee appointed pursuant to this Section shall either be (i) a natural person who is at least 21 years of age and a

resident of the United States or (ii) a legal entity with its principal place of business in the United States that shall act through one or more persons authorized to bind such entity.

Should any written instrument from the Depositor be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right, or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Depositor.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) The Trust Securities shall be executed and delivered and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustees specified hereunder, shall be exercised, solely by such Trustees and not by such co-trustee or separate trustee.

(b) The rights, powers, duties and obligations hereby conferred or imposed upon the Property Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Property Trustee or by the Property Trustee and such co-trustee or separate trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate, trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Property Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

(c) The Property Trustee at any time, by an instrument in writing executed by it, with the written concurrence of the Depositor, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default under the Indenture has occurred and is continuing, the Property Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Depositor. Upon the written request of the Property Trustee, the Depositor shall join with the Property Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

(d) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Property Trustee or any other trustee hereunder.

(e) The Property Trustee shall not be liable by reason of any act of a co-trustee or separate trustee.

(f) Any Act of Holders delivered to the Property Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

SECTION 8.10. Resignation and Removal; Appointment of Successor. No resignation or removal of any Trustee (the "Relevant Trustee") and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 8.11.

Any Trustee may resign at any time with respect to the Trust Securities by giving written notice thereof to the Securityholders and the Depositor. If the instrument of acceptance by the successor Trustee required by Section 8.11 shall not have been delivered to the Relevant Trustee within 30 days after the giving of such notice of resignation, the Relevant Trustee may petition, at the expense of the Trust, any court of competent jurisdiction for the appointment of a successor Relevant Trustee with respect to Trust Securities.

Unless a Debenture Event of Default shall have occurred and be continuing, any Trustee may be removed at any time by Act of the Common Securityholder. If a Debenture Event of Default shall have occurred and be continuing, the Property Trustee or the Delaware Trustee, or both of them, may be removed at such time by Act of the Holders of a majority in Liquidation Amount of the Preferred Securities, delivered to the Relevant Trustee (in its individual capacity and on behalf of the Trust). An Administrative Trustee may be removed by the Holder of the Common Securities at any time.

If any Trustee shall resign, be removed or become incapable of acting as Trustee, or if a vacancy shall occur in the office of any Trustee for any cause, at a time when no Debenture Event of Default shall have occurred and be continuing, the Common Securityholder, by Act of the Common Securityholder delivered to the retiring Trustee, shall promptly appoint a successor Trustee or Trustees with respect to the Trust Securities and the Trust, and the retiring Trustee shall comply with the applicable requirements of Section 8.11. If the Property Trustee or the Delaware Trustee shall resign, be removed or become incapable of continuing to act as the Property Trustee or the Delaware Trustee, as the case may be, at a time when a Debenture Event of Default is continuing, the Holders of Preferred

Securities, by Act of the Securityholders of a majority in Liquidation Amount of the Preferred Securities then Outstanding delivered to the retiring Relevant Trustee, shall promptly appoint a successor Relevant Trustee or Trustees with respect to the Trust Securities and the Trust, and such successor Trustee shall comply with the applicable requirements of Section 8.11. If an Administrative Trustee shall resign, be removed or become incapable of acting as Administrative Trustee, at a time when a Debenture Event of Default shall have occurred and be continuing, the Holder of the Common Securities shall appoint a successor Administrative Trustee or Administrative Trustees. If no successor Relevant Trustee with respect to the Trust Securities shall have been so appointed by the Holders of the Common Securities or the Preferred Securities and accepted appointment in the manner required by Section 8.11, any Securityholder who has been a Securityholder of Trust Securities for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Relevant Trustee with respect to the Trust Securities.

The Property Trustee shall give notice of each resignation and each removal of a Trustee and each appointment of a successor Trustee to all Securityholders in the manner provided in Section 10.08 and shall give notice to the Depositor. Each notice shall include the name of the successor Relevant Trustee and the address of its Corporate Trust Office if it is the Property Trustee.

Notwithstanding the foregoing or any other provision of this Trust Agreement, in the event any Administrative Trustee or a Delaware Trustee who is a natural person dies or becomes, in the opinion of the Depositor, incompetent or incapacitated, the vacancy created by such death, incompetence or incapacity may be filled by (a) the unanimous act of remaining Administrative Trustees if there are at least two of them or (b) otherwise by the Depositor (with the successor in each case being a Person who satisfies the eligibility requirement for Administrative Trustees or the Delaware Trustee, as the case may be, set forth in Section 8.07).

SECTION 8.11. Acceptance of Appointment by Successor. In case of the appointment hereunder of a successor Trustee, such successor Trustee so appointed shall execute, acknowledge and deliver to the Trust and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Depositor or the successor Trustee such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and if the Property Trustee is the resigning Trustee shall duly assign, transfer and deliver to the

successor Trustee all property and money held by such retiring Property Trustee hereunder.

In case of the appointment hereunder of a successor Relevant Trustee, the retiring Relevant Trustee and each successor Relevant Trustee shall execute and deliver an amendment hereto wherein each successor Relevant Trustee shall accept such appointment and which (a) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Relevant Trust all the rights, powers, trusts and duties of the retiring Relevant Trustee and (b) shall add to or change any of the provisions of this Trust Agreement as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Relevant Trustee, it being understood that nothing herein or in such amendment shall constitute such Relevant Trustees co-trustees and upon the execution and delivery of such amendment the resignation or removal of the retiring Relevant Trustee shall become effective to the extent provided therein and each such successor Relevant Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Relevant Trustee; but, on request of the Trust or any successor Relevant Trustee such retiring Relevant Trustee shall duly assign, transfer and deliver to such successor Relevant Trustee all Trust Property, all proceeds thereof and money held by such retiring Relevant Trustee hereunder.

Upon request of any such successor Relevant Trustee, the Trust shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Relevant Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

No successor Relevant Trustee shall accept its appointment unless at the time of such acceptance such successor Relevant Trustee shall be qualified and eligible under this Article.

SECTION 8.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Property Trustee, the Delaware Trustee or any Administrative Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Relevant Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of such Relevant Trustee, shall be the successor of such Relevant Trustee hereunder, provided such

corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 8.13. Property Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other similar judicial proceeding relative to the Trust or any other obligor upon the Trust Securities or the property of the Trust or of such other obligor or their creditors, the Property Trustee (irrespective of whether any Distributions on the Trust Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Property Trustee shall have made any demand on the Trust for the payment of any past due Distributions) shall be entitled and empowered, to the fullest extent permitted by law, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of any Distributions owing and unpaid in respect of the Trust Securities (or, if the Trust Securities are original issue discount Securities, such portion of the liquidation amount as may be specified in the terms of such Trust Securities) and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Property Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Property Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

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

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Property Trustee for distribution and, in the event the Property Trustee shall consent to the making of such payments directly to the Holders, to pay to the Property Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Property Trustee, its agents and counsel, and any other amounts due the Property Trustee.

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

SECTION 8.14. Reports by Property Trustee. (a) Within 60 days after December 31 of each year commencing with December 31, 1996 the Property Trustee shall transmit to all Securityholders in accordance with Section 10.08, and to the Depositor, a brief report dated as of such December 31 with respect to:

(i) its eligibility under Section 8.07 or, in lieu thereof, if to the best of its knowledge it has continued to be eligible under said Section, a written statement to such effect;

(ii) a statement that the Property Trustee has complied with all of its obligations under this Trust Agreement during the twelve-month period (or, in the case of the initial report, the period since the Closing Date) ending with such December 31 or, if the Property Trustee has not complied in any material respect with such obligations, a description of such noncompliance; and

(iii) any change in the property and funds in its possession as Property Trustee since the date of its last report and any action taken by the Property Trustee in the performance of its duties hereunder which it has not previously reported and which in its opinion materially affects the Trust Securities.

(b) In addition, the Property Trustee shall transmit to Securityholders such reports concerning the Property Trustee and its actions under this Trust Agreement as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

(c) A copy of such report shall, at the time of such transmissions to Holders, be filed by the Property Trustee with each national securities exchange or self-regulatory organization upon which the Trust Securities are listed, with the Commission and with the Depositor.

SECTION 8.15. Reports to the Property Trustee. The Depositor and the Administrative Trustees on behalf of the Trust shall provide to the Property Trustee such documents, reports and information as required by Section 314 of the Trust Indenture Act (if any) and the compliance certificate required by Section 314(a) of the Trust Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 8.16. Evidence of Compliance with Conditions Precedent. Each of the Depositor and the Administrative Trustees on behalf of the Trust shall provide to the Property Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Trust Agreement that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) of the Trust Indenture Act shall be given in the form of an Officers' Certificate.

SECTION 8.17. Number of Trustees. (a) The number of Trustees shall be four, provided that the Holder of all of the Common Securities by written instrument may increase or decrease the number of Administrative Trustees. The Property Trustee and the Delaware Trustee may be the same Person.

(b) If a Trustee ceases to hold office for any reason and the number of Administrative Trustees is not reduced pursuant to Section 8.17(a), or if the number of Trustees is increased pursuant to Section 8.17(a), a vacancy shall occur.

(c) The death, resignation, retirement, removal, bankruptcy, incompetence or incapacity to perform the duties of a Trustee shall not operate to annul the Trust. Whenever a vacancy in the number of Administrative Trustees shall occur, until such vacancy is filled by the appointment of an Administrative Trustee in accordance with Section 8.10, the Administrative Trustees in office, regardless of their number (and notwithstanding any other provision of this Agreement), shall have all the powers granted to the Administrative Trustees and shall discharge all the duties imposed upon the Administrative Trustees by this Trust Agreement.

SECTION 8.18. Delegation of Power. (a) Any Administrative Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purpose of executing any documents contemplated in Section 2.07(a), including any registration statement or amendment thereof filed with the Commission, or making any other governmental filing.

(b) The Administrative Trustees shall have power to delegate from time to time to such of their number or to the Depositor the doing of such things and the execution of such instruments either in the name of the Trust or the names of the Administrative Trustees or otherwise as the Administrative Trustees may deem expedient, to the extent such delegation is not prohibited by applicable law or contrary to the provisions of the Trust, as set forth herein.

ARTICLE 9
TERMINATION, LIQUIDATION AND MERGER

SECTION 9.01. Termination upon Expiration Date. Unless earlier terminated, the Trust shall automatically terminate on _____, _____ (the "Expiration Date"), following the distribution of the Trust Property in accordance with Section 9.04.

SECTION 9.02. Early Termination. The first to occur of any of the following events is an "Early Termination Event":

(a) the occurrence of a Bankruptcy Event in respect of, or the dissolution or liquidation of, the Depositor;

(b) the occurrence of a Special Event except in the case of a Tax Event following which the Depositor has elected to pay any Additional Sums (in accordance with Section 4.04) such that the net amount received by Holders of Preferred Securities in respect of Distributions are not reduced as a result of such Tax Event and the Depositor has not revoked any such election or failed to make such payments;

(c) the redemption of all of the Preferred Securities;

(d) an order for dissolution of the Trust shall have been entered by a court of competent jurisdiction; and

(e) receipt by the Property Trustee of written notice from the Depositor of its intention to terminate the trust.

SECTION 9.03. Termination. The respective obligations and responsibilities of the Trustees and the Trust created and continued hereby shall terminate upon the latest to occur of the following: (a) the distribution by the Property Trustee to Securityholders upon the liquidation of the Trust pursuant to

Section 9.04, or upon the redemption of all of the Trust Securities pursuant to Section 4.02, of all amounts required to be distributed hereunder upon the final payment of the Trust Securities; (b) the payment of any expenses owed by the Trust; and (c) the discharge of all administrative duties of the Administrative Trustees, including the performance of any tax reporting obligations with respect to the Trust or the Securityholders.

SECTION 9.04. Liquidation. (a) If an Early Termination Event specified in clause (a), (b), (d) or (e) of Section 9.02 occurs or upon the Expiration Date, the Trust shall be liquidated by the Trustees as expeditiously as the Trustees determine to be possible by distributing, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, to each Securityholder a Like Amount of Debentures, subject to Section 9.04(d). Notice of liquidation shall be given by the Property Trustee by first-class mail, postage prepaid, mailed not later than 30 nor more than 60 days prior to the Liquidation Date to each Holder of Trust Securities at such Holder's address appearing in the Securities Register. All notices of liquidation shall:

(i) state the Liquidation Date;

(ii) state that from and after the Liquidation Date, the Trust Securities will no longer be deemed to be outstanding and any Trust Securities Certificates not surrendered for exchange will be deemed to represent a Like Amount of Debentures; and

(iii) provide such information with respect to the mechanics by which Holders may exchange Trust Securities Certificates for Debentures, or if Section 9.04(d) applies receive a Liquidation Distribution, as the Administrative Trustees or the Property Trustee shall deem appropriate.

(b) Except where Section 9.02(c) or 9.04(d) applies, in order to effect the liquidation of the Trust and distribution of the Debentures to Securityholders, the Property Trustee shall establish a record date for such distribution (which shall be not more than 45 days prior to the Liquidation Date) and, either itself acting as exchange agent or through the appointment of a separate exchange agent, shall establish such procedures as it shall deem appropriate to effect the distribution of Debentures in exchange for the Outstanding Trust Securities Certificates.

(c) Except where Section 9.02(c) or 9.04(d) applies, after the Liquidation Date, (i) the Trust Securities will no longer be deemed to be outstanding, (ii) certificates representing a Like Amount of Debentures will be issued to Holders of Trust Securities Certificates, upon surrender of such certificates to the Securities Registrar or its agent for exchange, (iii) the

Depositor shall use its reasonable efforts to have the Debentures listed on the New York Stock Exchange or on such other exchange as the Preferred Securities are then listed, (iv) any Trust Securities Certificates not so surrendered for exchange will be deemed to represent a Like Amount of Debentures, accruing interest at the rate provided for in the Debentures from the last Distribution Date on which a Distribution was made on such Trust Certificates until such certificates are so surrendered (and until such certificates are so surrendered, no payments or interest or principal will be made to Holders of Trust Securities Certificates with respect to such Debentures), and (v) all rights of Securityholders holding Trust Securities will cease, except the right of such Securityholders to receive Debentures upon surrender of Trust Securities Certificates.

(d) In the event that, notwithstanding the other provisions of this Section 9.04, whether because of an order for dissolution entered by a court of competent jurisdiction or otherwise, distribution of the Debentures in the manner provided herein is determined by the Property Trustee not to be practicable, the Trust Property shall be liquidated, and the Trust shall be dissolved, wound-up or terminated, by the Property Trustee in such manner as the Property Trustee determines. In such event, on the date of the dissolution, winding up or other termination of the Trust, Securityholders will be entitled to receive out of the assets of the Trust available for distribution to Securityholders, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, an amount equal to the Liquidation Amount per Trust Security plus accrued and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution"). If, upon any such dissolution, winding-up or termination, the Liquidation Distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate Liquidation Distribution, then, subject to the next succeeding sentence, the amounts payable by the Trust on the Trust Securities shall be paid on a pro rata basis (based upon Liquidation Amounts). The Holder of the Common Securities will be entitled to receive Liquidation Distributions upon any such dissolution, winding-up or termination pro rata (determined as aforesaid) with Holders of Preferred Securities, except that, if a Debenture Event of Default has occurred and is continuing, the Preferred Securities shall have a priority over the Common Securities.

SECTION 9.05. Mergers, Consolidations, Amalgamations or Replacements of the Trust. The Trust may not merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other body, except pursuant to this Section 9.05. At the request of the Depositor, with the consent of the Administrative Trustees and without the consent of the Property Trustee, the Delaware Trustee or the Holders of the Preferred Securities, the Trust may merge with or into, consolidate, amalgamate, or be replaced by a trust organized as such under the laws of any State; provided, that (i) such successor entity either

(a) expressly assumes all of the obligations of the Trust with respect to the Preferred Securities or (b) substitutes for the Preferred Securities other securities having substantially the same terms as the Preferred Securities (the "Successor Securities") so long as the Successor Securities rank the same as the Preferred Securities rank in priority with respect to Distributions and payments upon liquidation, redemption and otherwise, (ii) the Depositor expressly appoints a trustee of such successor entity possessing the same powers and duties as the Property Trustee as the holder of the Debentures, (iii) the Successor Securities are listed, or any Successor Securities will be listed upon notification of issuance, on any national securities exchange or other organization on which the Preferred Securities are then listed, if any, (iv) such merger, consolidation, amalgamation or replacement does not cause the Preferred Securities (including any Successor Securities) to be downgraded by any nationally recognized statistical rating organization, (v) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the Holders of the Preferred Securities (including any Successor Securities) in any material respect, (vi) such successor entity has a purpose identical to that of the Trust, (vii) prior to such merger, consolidation, amalgamation or replacement, the Depositor has received an Opinion of Counsel to the effect that (a) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the Holders of the Preferred Securities (including any Successor Securities) in any material respect, and (b) following such merger, consolidation, amalgamation or replacement, neither the Trust nor such successor entity will be required to register as an investment company under the 1940 Act and (viii) the Depositor owns all of the Common Securities of such successor entity and guarantees the obligations of such successor entity under the Successor Securities at least to the extent provided by the Guarantee. Notwithstanding the foregoing, the Trust shall not, except with the consent of Holders of 100% in Liquidation Amount of the Preferred Securities, consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger or replacement would cause the Trust or the successor entity to be classified as other than a grantor trust for United States Federal income tax purposes.

ARTICLE 10
MISCELLANEOUS PROVISIONS

SECTION 10.01. Limitation of Rights of Securityholders. The death or incapacity of any person having an interest, beneficial or otherwise, in Trust Securities shall not operate to terminate this Trust Agreement, nor entitle the legal representatives or heirs of such person or any Securityholder for such person, to claim an accounting, take any action or bring any proceeding in any court for a partition or winding-up of the arrangements contemplated hereby, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

SECTION 10.02. Amendment. (a) This Trust Agreement may be amended from time to time by the Trustees and the Depositor, without the consent of any Securityholders, (i) to cure any ambiguity, correct or supplement any provision herein or therein which may be inconsistent with any other provision herein or therein, or to make any other provisions with respect to matters or questions arising under this Trust Agreement, which shall not be inconsistent with the other provisions of this Trust Agreement, or (ii) to modify, eliminate or add to any provisions of this Trust Agreement to such extent as shall be necessary to ensure that the Trust will be classified for United States Federal income tax purposes as a grantor trust at all times that any Trust Securities are outstanding or to ensure that the Trust will not be required to register as an "investment company" under the 1940 Act; provided, however, that in the case of clause (i), such action shall not adversely affect in any material respect the interests of any Securityholder, and any amendments of this Trust Agreement shall become effective when notice thereof is given to the Securityholders.

(b) Except as provided in Section 10.02(c) hereof, any provision of this Trust Agreement may be amended by the Trustees and the Depositor with (i) the consent of Holders representing not less than a majority (based upon Liquidation Amounts) of the Trust Securities then Outstanding and (ii) receipt by the Trustees of an Opinion of Counsel to the effect that such amendment or the exercise of any power granted to the Trustees in accordance with such amendment will not affect the Trustee's status as a grantor trust for United States Federal income tax purposes or the Trust's exemption from status of an "investment company" under the 1940 Act.

(c) In addition to and notwithstanding any other provision in this Trust Agreement, without the consent of each affected Securityholder (such consent being obtained in accordance with Section 6.03 or 6.06 hereof), this Trust Agreement may not be amended to (i) change the amount or timing of any Distribution on the Trust Securities or otherwise adversely affect the amount of

any Distribution required to be made in respect of the Trust Securities as of a specified date or (ii) restrict the right of a Securityholder to institute suit for the enforcement of any such payment on or after such date; notwithstanding any other provision herein without the unanimous consent of the Securityholders (such consent being obtained in accordance with Section 6.03 or 6.06 hereof), this paragraph (c) of this Section 10.02 may not be amended.

(d) Notwithstanding any other provisions of this Trust Agreement, no Trustee shall enter into or consent to any amendment to this Trust Agreement which would cause the Trust to fail or cease to qualify for the exemption from status of an "investment company" under the 1940 Act.

(e) Notwithstanding anything in this Trust Agreement to the contrary, without the consent of the Depositor, this Trust Agreement may not be amended in a manner which imposes any additional obligation on the Depositor.

(f) In the event that any amendment to this Trust Agreement is made, the Administrative Trustees shall promptly provide to the Depositor a copy of such amendment.

(g) Neither the Property Trustee nor the Delaware Trustee shall be required to enter into any amendment to this Trust Agreement which affects its own rights, duties or immunities under this Trust Agreement. The Property Trustee shall be entitled to receive an Opinion of Counsel and an Officers' Certificate stating that any amendment to this Trust Agreement is in compliance with this Trust Agreement.

SECTION 10.03. Separability. In case any provision in this Trust Agreement or in the Trust Securities Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 10.04. GOVERNING LAW. THIS TRUST AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF EACH OF THE SECURITYHOLDERS, THE TRUST AND THE TRUSTEES WITH RESPECT TO THIS TRUST AGREEMENT AND THE TRUST SECURITIES SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF DELAWARE.

SECTION 10.05. Payments Due on Non-Business Day. If the date fixed for any payment on any Trust Security shall be a day which is not a Business Day, then such payment need not be made on such date but may be made on the next succeeding day which is a Business Day (except as otherwise provided in Section

4.01(a)), with the same force and effect as though made on the date fixed for such payment, and no interest shall accrue thereon for the period after such date.

SECTION 10.06. Successors. This Trust Agreement shall be binding upon and shall inure to the benefit of any successor to the Depositor, the Trust or the Relevant Trustee, including any successor by operation of law. Except in connection with a consolidation, merger or sale involving the Depositor that is permitted under Article Eight of the Indenture and pursuant to which the assignee agrees in writing to perform the Depositor's obligations hereunder, the Depositor shall not assign its obligations hereunder.

SECTION 10.07. Headings. The Article and Section headings are for convenience only and shall not affect the construction of this Trust Agreement.

SECTION 10.08. Reports, Notices and Demands. Any report, notice, demand or other communications which by any provision of this Trust Agreement is required or permitted to be given or served to or upon any Securityholder or the Depositor may be given or served in writing by deposit thereof, first-class postage prepaid, in the United States mail, hand delivery or facsimile transmission, in each case, addressed, (a) in the case of a Holder of Preferred Securities, to such Holder as such Holder's name and address may appear on the Securities Register; and (b) in the case of the Holder of the Common Securities, to Texas Instruments Incorporated 13500 North Central Expressway, P.O. Box 655474, Dallas, Texas 75265-5474, Attention: Secretary, facsimile no.: (214) 995-3511. Any notice to Preferred Securityholders shall also be given to such owners as have, within two years preceding the giving of such notice, filed their names and addresses with the Property Trustee for that purpose. Such notice, demand or other communication to or upon a Securityholder shall be deemed to have been sufficiently given or made, for all purposes, upon hand delivery, mailing or transmission.

Any notice, demand or other communication which by any provision of this Trust Agreement is required or permitted to be given or served to or upon the Trust, the Property Trustee, the Delaware Trustee or the Administrative Trustees shall be given in writing addressed (until another address is published by the Trust) as follows: (a) with respect to the Property Trustee to The First National Bank of Chicago, One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126, Attention: Corporate Trust Services Division, (b) with respect to the Delaware Trustee, to c/o FCC National Bank, 300 King Street, Wilmington, Delaware 19801, with a copy of any such notice to the Property Trustee at its address above, and (c) with respect to the Administrative Trustees, to them at the address for notices to the Depositor, marked "Attention: Secretary". Such notice, demand or other communication to or upon the Trust or the Property Trustee shall be deemed to have been sufficiently given or made only upon actual receipt of the writing by the Trust or the Property Trustee.

SECTION 10.09. Agreement Not to Petition. Each of the Trustees and the Depositor agrees for the benefit of the Securityholders that, until at least one year and one day after the Trust has been terminated in accordance with Article IX, it shall not file, or join in the filing of, a petition against the Trust under any bankruptcy, insolvency, reorganization or other similar law (including, without limitation, the United States Bankruptcy Code) (collectively, "Bankruptcy Laws") or otherwise join in the commencement of any proceeding against the Trust under any Bankruptcy Law. In the event the Depositor takes action in violation of this Section 10.09, the Property Trustee agrees, for the benefit of Securityholders, that at the expense of the Depositor, it shall file an answer with the bankruptcy court or otherwise properly contest the filing of such petition by the Depositor against the Trust or the commencement of such action and raise the defense that the Depositor has agreed in writing not to take such action and should be stopped and precluded therefrom and such other defenses, if any, as counsel for the Trustee or the Trust may assert. The provisions of this Section 10.09 shall survive the termination of this Trust Agreement.

SECTION 10.10. Trust Indenture Act; Conflict with Trust Indenture Act. (a) This Trust Agreement is subject to the provisions of the Trust Indenture Act that are required to be part of this Trust Agreement and shall, to the extent applicable, be governed by such provisions.

(b) The Property Trustee shall be the only Trustee which is a trustee for the purposes of the Trust Indenture Act.

(c) If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Trust Agreement by any of the provisions of the Trust Indenture Act, such required provision shall control. If any provision of this Trust Agreement modifies or excludes any provision of the Trust Indenture Act which may be so modified or excluded, the latter provision shall be deemed to apply to this Trust Agreement as so modified or to be excluded, as the case may be.

(d) The application of the Trust Indenture Act to this Trust Agreement shall not affect the nature of the Securities as equity securities representing undivided beneficial interests in the assets of the Trust.

SECTION 10.11. ACCEPTANCE OF TERMS OF TRUST AGREEMENT, GUARANTEE AND INDENTURE. THE RECEIPT AND ACCEPTANCE OF A TRUST SECURITY OR ANY INTEREST THEREIN BY OR ON BEHALF OF A SECURITYHOLDER OR ANY BENEFICIAL OWNER, WITHOUT ANY SIGNATURE OR FURTHER MANIFESTATION OF ASSENT, SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE

SECURITYHOLDER AND ALL OTHERS HAVING A BENEFICIAL INTEREST IN SUCH TRUST SECURITY OF ALL THE TERMS AND PROVISIONS OF THIS TRUST AGREEMENT AND AGREEMENT TO THE SUBORDINATION PROVISIONS AND OTHER TERMS OF THE GUARANTEE AND THE INDENTURE, AND SHALL CONSTITUTE THE AGREEMENT OF THE TRUST, SUCH SECURITYHOLDER AND SUCH OTHERS THAT THE TERMS AND PROVISIONS OF THIS TRUST AGREEMENT SHALL BE BINDING, OPERATIVE AND EFFECTIVE AS BETWEEN THE TRUST AND SUCH SECURITYHOLDER AND SUCH OTHERS.

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

TEXAS INSTRUMENTS INCORPORATED
as Depositor

By: -----
Name:
Title:

The FIRST NATIONAL BANK OF CHICAGO,
as Property Trustee

By: -----
Name:
Title:

FIRST CHICAGO DELAWARE INC.,
as Delaware Trustee

By: -----
Name:
Title:

JOHN W. PETTIJOHN,
as Administrative Trustee

DAVID B. WILLIS,
as Administrative Trustee

CERTIFICATE OF TRUST
OF
TEXAS INSTRUMENTS FINANCIAL TRUST

THIS CERTIFICATE OF TRUST OF Texas Instruments Financial Trust (the "Trust"), dated as of June 28, 1996, is being duly executed and filed by the undersigned, as trustees, to form a business trust under the Delaware Business Trust Act (12 Del. C. (S) 3801 et seq.).

- 1. Name. The name of the business trust being formed hereby is Texas Instruments Financial Trust.
- 2. Delaware Trustee. The name and business address of the trustee of the Trust with a principal place of business in the State of Delaware is First Chicago Delaware Inc., 300 King Street, Wilmington, DE 19801.
- 3. Effective Date. This Certificate of Trust shall be effective as of its filing.

IN WITNESS WHEREOF, the undersigned, being the sole trustee of the Trust, have executed this Certificate of Trust as of the date first above written.

/s/ JOHN W. PETTIJOHN

John W. Pettijohn,
as Administrative Trustee

/s/ DAVID B. WILLIS

David B. Willis,
as Administrative Trustee

First Chicago Delaware Inc.,
as Delaware Trustee

By: /s/ STEVEN M. WAGNER

Name: Steven M. Wagner
Title: Vice President

The First National Bank of Chicago,
as Property Trustee

By: /s/ L. DILLARD

Name: L. Dillard
Title: Vice President

The Depository Trust Company
55 Water Street, 49th Floor
New York, New York 10041-0099

Attention: -----
General Counsel's Office

RE: TEXAS INSTRUMENTS FINANCIAL TRUST ___%
CONVERTIBLE QUARTERLY INCOME PREFERRED SECURITIES

Ladies and Gentlemen: The purpose of this letter is to set forth certain matters relating to the issuance and deposit with The Depository Trust Company ("DTC") of the ___% Convertible Quarterly Income Preferred Securities, Series A (the "Preferred Securities") of Texas Instruments Financial Trust, a Delaware business trust (the "Issuer"), formed pursuant to a Trust Agreement between Texas Instruments Incorporated (the "Depositor") and the trustees named therein. The payment of distributions on the Preferred Securities to the extent the Issuer has funds available for the payment thereof, and payments due upon liquidation of the Issuer or redemption of the Preferred Securities are guaranteed by the Depositor to the extent set forth in a Guarantee Agreement dated _____, 1996 between the Depositor and The First National Bank of Chicago, as guarantee trustee, with respect to the Preferred Securities. The Depositor and the Issuer propose to sell the Preferred Securities to certain Underwriters (the "Underwriters") pursuant to an Underwriting Agreement dated _____, 1996 by and among the Underwriters, the Issuer and the Depositor, and the Underwriters wish to take delivery of the Preferred Securities through DTC. The First National Bank of Chicago is acting as transfer agent and registrar with respect to the Preferred Securities (the "Transfer Agent and Registrar").

To induce DTC to accept the Preferred Securities as eligible for deposit at DTC, and to act in accordance with DTC's rules with respect to the Preferred Securities, the Issuer, the Transfer Agent and Registrar and DTC agree among each other as follows:

1. Prior to the closing of the sale of the Preferred Securities to the Underwriters, which is expected to occur on or about _____, 1996, there shall be deposited with DTC one or more global certificates (individually and collectively, the "Global Certificate") registered in the name of DTC's Preferred Securities nominee, Cede & Co., representing an aggregate of _____ Preferred Securities and bearing the following legend:

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

2. The Amended and Restated Trust Agreement of the Issuer provides for the voting by holders of the Preferred Securities under certain limited circumstances. The Issuer shall establish a record date for such purposes and shall, to the extent possible, give DTC notice of such record date not less than 15 calendar days in advance of such record date.

3. In the event of a stock split, conversion, recapitalization, reorganization or any other similar transaction resulting in the cancellation of all or any part of the Preferred Securities outstanding, the Issuer or the Transfer Agent and Registrar shall send DTC a notice of such event at least 5 business days prior to the effective date of such event.

4. In the event of distribution on, or an offering or issuance of rights with respect to, the Preferred Securities outstanding, the Issuer or the Transfer Agent and Registrar shall send DTC a notice specifying: (i) the amount of and conditions, if any, applicable to the payment of any such distribution or any such offering or issuance of rights; (ii) any applicable expiration or deadline date, or any date by which any action on the part of the holders of Preferred Securities is required; and (iii) the date any required notice is to be mailed by or on behalf of the Issuer to holders of Preferred Securities or published by or on behalf of the Issuer (whether by mail or publication, the "Publication Date"). Such notice shall be sent to DTC by a secure means (e.g., legible telecopy, registered or certified mail, overnight delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on the business day before the Publication Date. The Issuer or the Transfer Agent and Registrar will forward such notice either in a separate secure transmission for each CUSIP number or in a

secure transmission of multiple CUSIP numbers (if applicable) that includes a manifest or list of each CUSIP number submitted in that transmission. (The party sending such notice shall have a method to verify subsequently the use of such means and the timeliness of such notice.) The Publication Date shall be not less than 30 calendar days nor more than 60 calendar days prior to the payment of any such distribution or any such offering or issuance of rights with respect to the Preferred Securities. After establishing the amount of payment to be made on the Preferred Securities, the Issuer or the Transfer Agent and Registrar will notify DTC's Dividend Department of such payment 5 business days prior to payment date. Notices to DTC's Dividend Department by telecopy shall be sent to (212) 709-1723. Such notices by mail or by any other means shall be sent to:

Manager, Announcements
Dividend Department
The Depository Trust Company
7 Hanover Square, 23rd Floor
New York, New York 10004-2695

The Issuer or the Transfer Agent and Registrar shall confirm DTC's receipt of such telecopy by telephoning the Dividend Department at (212) 709-1270.

5. In the event of a redemption by the Issuer of the Preferred Securities, notice specifying the terms of the redemption and the Publication Date of such notice shall be sent by the Issuer or the Transfer Agent and Registrar to DTC not less than 30 calendar days prior to such event by a secure means in the manner set forth in paragraph 4. Such redemption notice shall be sent to DTC's Call Notification Department at (516) 227-4164 or (516) 227-4190, and receipt of such notice shall be confirmed by telephoning (516) 227-4070. Notice by mail or by any other means shall be sent to:

Call Notification Department
The Depository Trust Company
711 Stewart Avenue
Garden City, New York 11530-4719

6. In the event of any invitation to tender the Preferred Securities, notice specifying the terms of the tender and the Publication Date of such notice shall be sent by the Issuer or the Transfer Agent and Registrar to DTC by a secure means and in a timely manner as described in paragraph 4. Notices to DTC pursuant to this paragraph and notices of other corporate actions (including mandatory tenders, exchanges and capital changes), shall be sent, unless

notification to another department is expressly provided for herein, by telecopy to DTC's Reorganization Department at (212) 709-1093 or (212) 709-1094 and receipt of such notice shall be confirmed by telephoning (212) 709-6884, or by mail or any other means to:

Manager, Reorganization Department
Reorganization Window
The Depository Trust Company
7 Hanover Square, 23rd Floor
New York, New York 10004-2695

7. All notices and payment advices sent to DTC shall contain the CUSIP number or numbers of the Preferred Securities and the accompanying designation of the Preferred Securities, which, as of the date of this letter, is "Texas Instruments Financial Trust ___% Convertible Quarterly Income Preferred Securities".

8. Distribution payments or other cash payments with respect to the Preferred Securities evidenced by the Global Certificate shall be received by Cede & Co., as nominee of DTC, or its registered assigns in same day funds on each payment date (or in accordance with existing arrangements between the Issuer or the Transfer Agent and Registrar and DTC). Such payments shall be made payable to the order of Cede & Co., and shall be addressed as follows:

NDFS Redemption Department
The Depository Trust Company
7 Hanover Square, 23rd Floor
New York, New York 10004-2695

9. DTC may by prior written notice direct the Issuer and the Transfer Agent and Registrar to use any other telecopy number or address of DTC as the number or address to which notices or payments may be sent.

10. In the event of a conversion, redemption, or any other similar transaction (e.g., tender made and accepted in response to the Issuer's or the Transfer Agent and Registrar's invitation) necessitating a reduction in the aggregate number of Preferred Securities outstanding evidenced by the Global Certificate, DTC, in its discretion: (a) may request the Issuer or the Transfer Agent and Registrar to issue and countersign a new Global Certificate; or (b) may make an appropriate notation on the Global Certificate indicating the date and amount of such reduction.

11. DTC may discontinue its services as a securities depository with respect to the Preferred Securities at any time by giving at least 90 days' prior written notice to the Issuer and the Transfer Agent and Registrar (at which time DTC will confirm with the Issuer or the Transfer Agent and Registrar the aggregate number of Preferred Securities deposited with it) and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Issuer may determine to make alternative arrangements for book-entry settlement for the Preferred Securities, make available one or more separate global certificates evidencing Preferred Securities to any Participant having Preferred Securities credited to its DTC account, or issue definitive Preferred Securities to the beneficial holders thereof, and in any such case, DTC agrees to cooperate fully with the Issuer and the Transfer Agent and Registrar and to return the Global Certificate, duly endorsed for transfer as directed by the Issuer or the Transfer Agent and Registrar, together with any other documents of transfer reasonably requested by the Issuer or the Transfer Agent and Registrar.

12. In the event that the Issuer determines that beneficial owners of Preferred Securities shall be able to obtain definitive Preferred Securities, the Issuer or the Transfer Agent and Registrar shall notify DTC of the availability of certificates. In such event, the Issuer or the Transfer Agent and Registrar shall issue, transfer and exchange certificates in appropriate amounts, as required by DTC and others, and DTC agrees to cooperate fully with the Issuer and the Transfer Agent and Registrar and to return the Global Certificate, duly endorsed for transfer as directed by the Issuer or the Transfer Agent and Registrar.

13. This letter may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Nothing herein shall be deemed to require the Transfer Agent and Registrar to advance funds on behalf of Texas Instruments Financial Trust.

Very truly yours,

TEXAS INSTRUMENTS FINANCIAL TRUST
(As Issuer)

By: -----
Name:
As Administrative Trustee

THE FIRST NATIONAL BANK OF CHICAGO,
As Transfer Agent and Registrar
By: -----
Name:
Title:

RECEIVED AND ACCEPTED

THE DEPOSITORY TRUST
COMPANY

By: -----
Name:
Title:

THIS CERTIFICATE IS NOT TRANSFERABLE

Certificate Number -----	Number of Common Securities
-----------------------------	-----------------------------

Certificate Evidencing Common Securities

of

Texas Instruments Financial Trust

Common Securities
(liquidation amount \$50 per Common Security)

Texas Instruments Financial Trust, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that Texas Instruments Incorporated (the "Holder") is the registered owner of _____ common securities of the Trust representing undivided beneficial interests in the assets of the Trust (the "Common Securities"). In accordance with Section 5.10 of the Trust Agreement (as defined below) the Common Securities are not transferable and any attempted transfer hereof shall be void. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Common Securities are set forth in, and this certificate and the Common Securities represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Trust Agreement of the Trust dated as of _____, 1996, as the same may be amended from time to time (the "Trust Agreement") including the designation of the terms of the Common Securities as set forth therein. The Trust will furnish a copy of the Trust Agreement to the Holder without charge upon written request to the Trust at its principal place of business or registered office.

Upon receipt of this certificate, the Holder is bound by the Trust Agreement and is entitled to the benefits thereunder.

IN WITNESS WHEREOF, one of the Administrative Trustees of the Trust has executed this certificate this ____ day of 1996.

TEXAS INSTRUMENTS FINANCIAL TRUST

By:

Name:
As Administrative Trustee

AGREEMENT AS TO EXPENSES AND LIABILITIES

AGREEMENT dated as of _____, 1996, between Texas Instruments Incorporated, a Delaware corporation ("Texas Instruments"), and Texas Instruments Financial Trust, a Delaware business trust (the "Trust").

WHEREAS, the Trust intends to issue its Common Securities (the "Common Securities") to and receive Debentures from Texas Instruments and to issue and sell _____% Convertible Quarterly Income Preferred Securities (the "Preferred Securities") with such powers, preferences and special rights and restrictions as are set forth in the Amended and Restated Trust Agreement of the Trust dated as of _____, 1996 as the same may be amended from time to time (the "Trust Agreement");

WHEREAS, Texas Instruments will directly or indirectly own all of the Common Securities of Trust and will issue the Debentures;

NOW, THEREFORE, in consideration of the purchase by each holder of the Preferred Securities, which purchase Texas Instruments hereby agrees shall benefit Texas Instruments and which purchase Texas Instruments acknowledges will be made in reliance upon the execution and delivery of this Agreement, Texas Instruments and the Trust hereby agree as follows:

ARTICLE I

Section 1.1 Guarantee by Texas Instruments. Subject to the terms and conditions hereof, Texas Instruments hereby irrevocably and unconditionally guarantees to each person or entity to whom the Trust is now or hereafter becomes indebted or liable (the "Beneficiaries") the full payment, when and as due, of any and all Obligations (as hereinafter defined) to such Beneficiaries. As used herein, "Obligations" means any costs, expenses or liabilities of the Trust, other than obligations of the Trust to pay to holders of any Preferred Securities or other similar interests in the Trust the amounts due such holders pursuant to the terms of the Preferred Securities or such other similar interests, as the case may be. This Agreement is intended to be for the benefit of, and to be enforceable by, all such Beneficiaries, whether or not such Beneficiaries have received notice hereof.

Section 1.2 Term of Agreement. This Agreement shall terminate and be of no further force and effect upon the later of (a) the date on which full payment

has been made of all amounts payable to all holders of all the Preferred Securities (whether upon redemption, liquidation, conversion, exchange or otherwise) and (b) the date on which there are no Beneficiaries remaining; provided, however, that this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any holder of Preferred Securities or any Beneficiary must restore payment of any sums paid under the Preferred Securities, under any Obligation, under the Guarantee Agreement dated the date hereof between Texas Instruments and The First National Bank of Chicago, as guarantee trustee, or under this Agreement for any reason whatsoever. This Agreement is continuing, irrevocable, unconditional and absolute.

Section 1.3 Waiver of Notice. Texas Instruments hereby waives notice of acceptance of this Agreement and of any Obligation to which it applies or may apply, and Texas Instruments hereby waives presentment, demand for payment, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

Section 1.4 No Impairment. The obligations, covenants, agreements and duties of Texas Instruments under this Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the extension of time for the payment by the Trust of all or any portion of the Obligations or for the performance of any other obligation under, arising out of, or in connection with, the Obligations;

(b) any failure, omission, delay or lack of diligence on the part of the Beneficiaries to enforce, assert or exercise any right, privilege, power or remedy conferred on the Beneficiaries with respect to the Obligations or any action on the part of the Trust granting indulgence or extension of any kind; or

(c) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt or, of other similar proceedings affecting, the Trust or any of the assets of the Trust.

There shall be no obligation of the Beneficiaries to give notice to, or obtain the consent of, Texas Instruments with respect to the happening of any of the foregoing.

Section 1.5. Enforcement. A Beneficiary may enforce this Agreement directly against Texas Instruments and Texas Instruments waives any right or remedy to require that any action be brought against the Trust or any other person or entity before proceeding against Texas Instruments.

ARTICLE II

Section 2.1. Binding Effect. All guarantees and agreements contained in this Agreement shall bind the successors, assigns, receivers, trustees and representatives of Texas Instruments and shall inure to the benefit of the Beneficiaries.

Section 2.2. Amendment. So long as there remains any Beneficiary or any Preferred Securities of any series are outstanding, this Agreement shall not be modified or amended in any manner adverse to such Beneficiary or to the holders of the Preferred Securities.

Section 2.3. Notices. Any notice, request or other communication required or permitted to be given hereunder shall be given in writing by delivering the same against receipt therefor by facsimile transmission (confirmed by mail), telex or by registered or certified mail, addressed as follows (and if so given, shall be deemed given when mailed or upon receipt of an answer-back, if sent by telex):

Texas Instruments Financial Trust
c/o Texas Instrument Incorporated
13500 North Central Expressway
P.O. Box 655474
Dallas, Texas 75265-5474
Facsimile No.: (214) 995-3511
Attention: Secretary

Texas Instruments Incorporated
13500 North Central Expressway
P.O. Box 655474
Dallas, Texas 75265-5474
Facsimile No.: (214) 995-3511
Attention: Secretary

Section 2.4 This agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

THIS AGREEMENT is executed as of the day and year first above written.

TEXAS INSTRUMENTS INCORPORATED

By:

Name:
Title:

TEXAS INSTRUMENTS FINANCIAL TRUST

By:

Name:
As Administrative Trustee

IF THE PREFERRED SECURITY IS TO BE A GLOBAL CERTIFICATE, INSERT - This Preferred Security is a Global Certificate within the meaning of the Trust Agreement hereinafter referred to and is registered in the name of The Depository Trust Company (the "Depository") or a nominee of the Depository. This Preferred Security is exchangeable for Preferred Securities registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Trust Agreement and no transfer of this Preferred Security (other than a transfer of this Preferred Security as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in limited circumstances.

Unless this Preferred Security is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York) to Texas Instruments Financial Trust or its agent for registration of transfer, exchange or payment, and any Preferred Security issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Certificate Number	Number of Preferred Securities
—	CUSIP NO.

Certificate Evidencing Preferred Securities

of

Texas Instruments Financial Trust

___% Convertible Quarterly Income Preferred Securities,
 Series A
 (liquidation amount \$50 per Preferred Security)

Texas Instruments Financial Trust, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that

_____ (the "Holder") is the registered owner of _____ preferred securities of the Trust representing an undivided beneficial interest in the assets of the Trust and designated the Texas Instruments Financial Trust _____% Convertible Quarterly Income Preferred Securities, Series A (liquidation amount \$50 per Preferred Security) (the "Preferred Securities"). The Preferred Securities are transferable on the books and records of the Trust, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer as provided in Section 5.04 of the Trust Agreement (as defined below). The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities are set forth in, and this certificate and the Preferred Securities represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Trust Agreement of the Trust dated as of _____, 1996, as the same may be amended from time to time (the "Trust Agreement") including the designation of the terms of Preferred Securities as set forth therein. The Holder is entitled to the benefits of the Guarantee Agreement entered into by Texas Instruments Incorporated, a Delaware corporation, and The First National Bank of Chicago, as Guarantee Trustee, dated as of _____, 1996 (the "Guarantee"), to the extent provided therein. The Trust will furnish a copy of the Trust Agreement and the Guarantee to the Holder without charge upon written request to the Trust at its principal place of business or registered office.

Upon receipt of this certificate, the Holder is bound by the Trust Agreement and is entitled to the benefits thereunder.

IN WITNESS WHEREOF, one of the Administrative Trustees of the Trust has executed this certificate this _____ day of _____, 1996.

TEXAS INSTRUMENTS FINANCIAL TRUST

By: _____
 Name:
 As Administrative Trustee

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this Preferred Security to:

(Insert assignee's social security or tax identification number)

(Insert address and zip code of assignee)

and irrevocably appoints

agent to transfer this Preferred Security Certificate on the books of the Trust. The agent may substitute another to act for him or her.

Date: -----

Signature: -----

(Sign exactly as your name appears on the other side of this Preferred Security Certificate)

GUARANTEE AGREEMENT

Between

Texas Instruments Incorporated
(as Guarantor)

and

The First National Bank of Chicago
(as Trustee)

dated as of

-----, 1996

CROSS-REFERENCE TABLE*

Section of Trust Indenture Act of 1939, as amended	Section of Guarantee Agreement
310(a)	4.01(a)
310(b)	4.01(c), 2.08
310(c)	Inapplicable
311(a)	2.02(b)
311(b)	2.02(b)
311(c)	Inapplicable
312(a)	2.02(a)
312(b)	2.02(b)
313	2.03
314(a)	2.04
314(b)	Inapplicable
314(c)	2.05
314(d)	Inapplicable
314(e)	1.01, 2.05, 3.02
314(f)	2.01, 3.02
315(a)	3.01(d)
315(b)	2.07
315(c)	3.01
315(d)	3.01(d)
316(a)	1.01, 2.06, 5.04
316(b)	5.03
316(c)	8.02
317(a)	Inapplicable
317(b)	Inapplicable
318(a)	2.01(b)
318(b)	2.01
318(c)	2.01(a)

 * This Cross-Reference Table does not constitute part of the
 Guarantee Agreement and shall not affect the interpretation of any of
 its terms or provisions.

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GUARANTEE AGREEMENT

This GUARANTEE AGREEMENT, dated as of _____, 1996, is executed and delivered by Texas Instruments Incorporated, a Delaware corporation (the "Guarantor") and The First National Bank of Chicago, a national banking association organized under the laws of the United States, as trustee (the "Guarantee Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Preferred Securities (as defined herein) of Texas Instruments Financial Trust, a Delaware statutory business trust (the "Issuer").

WHEREAS, pursuant to an Amended and Restated Trust Agreement (the "Trust Agreement"), dated as of _____, 1996 among the Trustees named therein, the Guarantor, as Depositor, and the Holders from time to time of undivided beneficial interests in the assets of the Issuer, the Issuer is issuing _____ of its _____% Convertible Quarterly Income Preferred Securities, Series A (liquidation preference \$50 per preferred security) (the "Preferred Securities") representing preferred undivided beneficial interests in the assets of the Issuer and having the terms set forth in the Trust Agreement;

WHEREAS, the Preferred Securities will be issued by the Issuer and the proceeds thereof, together with the proceeds from the issuance of the Issuer's Common Securities (as defined below), will be used to purchase the Debentures (as defined in the Trust Agreement) of the Guarantor which will be deposited with The First National Bank of Chicago, as Property Trustee under the Trust Agreement, as trust assets; and

WHEREAS, as incentive for the Holders to purchase Preferred Securities, the Guarantor desires irrevocably and unconditionally to agree, to the extent set forth herein, to pay to the Holders of the Preferred Securities the Guarantee Payments (as defined herein) and to make certain other payments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the purchase by each Holder of Preferred Securities, which purchase the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Guarantee Agreement for the benefit of the Holders from time to time of the Preferred Securities.

ARTICLE 1
DEFINITIONS

SECTION 1.01. Definitions. As used in this Guarantee Agreement, the terms set forth below shall, unless the context otherwise requires, have the following meanings. Capitalized or otherwise defined terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement as in effect on the date hereof.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct common control with such specified Person, provided, however, that an Affiliate of the Guarantor shall not be deemed to include the Issuer. For the Purposes of this Definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Common Securities" means the securities representing common beneficial interests in the assets of the Issuer.

"Debt" means, with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent, (i) every obligation of such Person for money borrowed; (ii) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses; (iii) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person; (iv) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business); (v) every capital lease obligation of such Person; and (vi) every obligation of the type

referred to in clauses (i) through (v) of another Person and all dividends of another Person the payment of which, in either case, such Person has guaranteed or is responsible or liable, directly or indirectly, as obligor or otherwise.

"Event of Default" means a default by the Guarantor on any of its payment or other obligations under this Guarantee Agreement; provided, however, that, except with respect to a default in payment of any Guarantee Payments, the Guarantor shall have received written notice of default and shall not have cured such default within 60 days after receipt of such notice.

"Guarantee Payments" means the following payments or distributions, without duplication, with respect to the Preferred Securities, to the extent not paid or made by or on behalf of the Issuer: (i) any accrued and unpaid Distributions (as defined in the Trust Agreement) required to be paid on the Preferred Securities, to the extent the Issuer shall have funds on hand available therefor, (ii) the redemption price, including all accrued and unpaid Distributions to the date of redemption (the "Redemption Price"), with respect to the Preferred Securities called for redemption by the Issuer to the extent the Issuer shall have funds on hand available therefor, and (iii) upon a voluntary or involuntary termination, winding-up or liquidation of the Issuer, unless Debentures are distributed to the Holders, the lesser of (a) the aggregate of the liquidation preference of \$50 per Preferred Security plus accrued and unpaid Distributions on the Preferred Securities to the date of payment to the extent the Issuer shall have funds on hand available to make such payment and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer (in either case, the "Liquidation Distribution").

"Guarantee Trustee" means The First National Bank of Chicago, until a Successor Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Guarantee Agreement and thereafter means each such Successor Guarantee Trustee.

"Holder" means any holder, as registered on the books and records of the Issuer, of any Preferred Securities; provided, however, that in determining whether the holders of the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor, the Guarantee Trustee or any Affiliate of the Guarantor or the Guarantee Trustee.

"Indenture" means the Junior Subordinated Indenture dated as of _____, 1996, as supplemented and amended between the Guarantor and The First National Bank of Chicago, as trustee.

"List of Holders" has the meaning specified in Section 2.02 (a).

"Majority in Liquidation Preference of the Securities" means, except as provided by the Trust Indenture Act, a vote by the Holder(s), voting separately as a class, of more than 50% of the liquidation preference of all the outstanding Preferred Securities issued by the Issuer.

"Officers' Certificate" means, with respect to any Person, a certificate signed by (i) the Chairman, Chief Executive Officer, President or a Vice President, and by (ii) the Treasurer, an Assistant Treasurer, the Controller, the Secretary or an Assistant Secretary of such Person, and delivered to the Guarantee Trustee. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Guarantee Agreement shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

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

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Responsible Officer" means, with respect to the Guarantee Trustee, any Executive Vice President, Senior Vice President, any First Vice President, any Vice President, any Assistant Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, any Trust Officer or Assistant

Trust Officer or any other officer of the Corporate Trust Services Division of the Guarantee Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Senior Debt" means the principal of (and premium, if any) and interest, if any (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Guarantor whether or not such claim for post-petition interest is allowed in such proceeding), on Debt, whether incurred on or prior to the date of this Guarantee or thereafter incurred, unless, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are not superior in right of payment to the Guarantee or to other Debt which is pari passu with, or subordinated to, the Guarantee; provided, however, that Senior Debt shall not be deemed to include (a) any Debt of the Guarantor which, when incurred and without respect to any election under Section 1111(b) of the Bankruptcy Reform Act of 1978, was without recourse to the Guarantor, (b) any Debt of the Guarantor to any of its Subsidiaries, (c) Debt to any employee of the Guarantor, (d) any liability for taxes, (e) Debt or other monetary obligations to trade creditors created or assumed by the Guarantor or any of its subsidiaries in the ordinary course of business in connection with the obtaining of goods, materials or services and (f) Debt issued under the Indenture and (g) the Guarantee. Without limiting the generality of the foregoing, the term "Senior Debt" shall include the 2 3/4% Convertible Subordinated Debentures due 2002 of the Company.

"Successor Guarantee Trustee" means a successor Guarantee Trustee possessing the qualifications to act as Guarantee Trustee under Section 4.01.

"Texas Instruments Common Stock" shall mean the common stock, par value \$1.00, per share, of the Guarantor.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

ARTICLE 2 TRUST INDENTURE ACT

SECTION 2.01. Trust Indenture Act; Application. (a) This Guarantee Agreement is subject to the provisions of the Trust Indenture Act that are required to be part of this Guarantee Agreement and shall, to the extent applicable, be governed by such provisions.

(b) If and to the extent that any provision of this Guarantee Agreement limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

SECTION 2.02. List of Holders. (a) The Guarantor shall furnish or cause to be furnished to the Guarantee Trustee (a) semi-annually, on or before January 15 and July 15 of each year, a list, in such form as the Guarantee Trustee may reasonably require, of the names and addresses of the Holders ("List of Holders") as of a date not more than 15 days prior to the delivery thereof, and (b) at such other times as the Guarantee Trustee may request in writing, within 30 days after the receipt by the Guarantor of any such request, a List of Holders as of a date not more than 15 days prior to the time such list is furnished, in each case to the extent such information is in the possession or control of the Guarantor and is not identical to a previously supplied list of Holders or has not otherwise been received by the Guarantee Trustee in its capacity as such. The Guarantee Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Guarantee Trustee shall comply with its obligations under Section 311(a), Section 311(b) and Section 312(b) of the Trust Indenture Act.

SECTION 2.03. Reports by the Guarantee Trustee. On or before July 15, of each calendar year, the Guarantee Trustee shall provide to the Holders such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form and in the manner provided by Section 313 of the Trust Indenture Act. The Guarantee Trustee shall also comply with the requirements of Section 313(d) of the Trust Indenture Act.

SECTION 2.04. Periodic Reports to Guarantee Trustee. The Guarantor shall provide to the Guarantee Trustee, the Securities and Exchange Commission and the Holders such documents, reports and information, if any, as required by Section 314 of the Trust Indenture Act and the compliance certificate required by Section 314 of the Trust Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 2.05. Evidence of Compliance with Conditions Precedent. The Guarantor shall provide to the Guarantee Trustee such evidence of compliance with such conditions precedent, if any, provided for in this Guarantee Agreement that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.06. Events of Default; Waiver. The Holders of a Majority in Liquidation Preference of the Securities may, by vote, on behalf of the Holders, waive any past Event of Default and its consequences. Upon such waiver, any such Event of Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Guarantee Agreement, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent therefrom.

SECTION 2.07. Event of Default; Notice. (a) The Guarantee Trustee shall, within 90 days after the occurrence of an Event of Default, transmit by mail, first class postage prepaid, to the Holders, notices of all Events of Default known to the Guarantee Trustee, unless such defaults have been cured before the giving of such notice, provided, that, except in the case of a default in the payment of a Guarantee Payment, the Guarantee Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Guarantee Trustee in good faith determines that the withholding of such notice is in the interests of the Holders.

(b) The Guarantee Trustee shall not be deemed to have knowledge of any Event of Default unless the Guarantee Trustee shall have received written notice, or a Responsible Officer charged with the administration of the Trust Agreement shall have obtained written notice, of such Event of Default.

SECTION 2.08. Conflicting Interests. The Trust Agreement and the Indenture shall be deemed to be specifically described in this Guarantee Agreement for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

ARTICLE 3
POWERS, DUTIES AND RIGHTS OF THE GUARANTEE TRUSTEE

SECTION 3.01. Powers and Duties of the Guarantee Trustee. (a) This Guarantee Agreement shall be held by the Guarantee Trustee for the benefit of the Holders, and the Guarantee Trustee shall not transfer this Guarantee Agreement to any Person except a Holder exercising his or her rights pursuant to Section 5.04(iv) or to a Successor Guarantee Trustee on acceptance by such Successor Guarantee Trustee of its appointment to act as Successor Guarantee Trustee. The right, title and interest of the Guarantee Trustee shall automatically vest in any Successor Guarantee Trustee, upon acceptance by such Successor Guarantee Trustee of its appointment hereunder, and such vesting and cessation of title shall

be effective whether or not conveyancing documents have been executed and delivered pursuant to the appointment of such Successor Guarantee Trustee.

(b) If an Event of Default has occurred and is continuing, the Guarantee Trustee shall enforce this Guarantee Agreement for the benefit of the Holders.

(c) The Guarantee Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Guarantee Agreement, and no implied covenants shall be read into this Guarantee Agreement against the Guarantee Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.06), the Guarantee Trustee shall exercise such of the rights and powers vested in it by this Guarantee Agreement, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(d) No provision of this Guarantee Agreement shall be construed to relieve the Guarantee Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) prior to the occurrence of any Event of Default and after the curing or waiving of all such Events of Default that may have occurred;

(A) the duties and obligations of the Guarantee Trustee shall be determined solely by the express provisions of this Guarantee Agreement, and the Guarantee Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Guarantee Agreement; and

(B) in the absence of bad faith on the part of the Guarantee Trustee, the Guarantee Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Guarantee Trustee and conforming to the requirements of this Guarantee Agreement; but in the case of any such certificates or opinions that by any provision hereof or of the Trust Indenture Act are specifically required to be furnished to the Guarantee Trustee, the Guarantee Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Guarantee Agreement;

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

(iii) the Guarantee Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in Liquidation Preference of the Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee, or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; and

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

SECTION 3.02. Certain Rights of Guarantee Trustee. (a) Subject to the provisions of Section 3.01:

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

(ii) Any direction or act of the Guarantor contemplated by this Guarantee Agreement shall be sufficiently evidenced by an Officers' Certificate unless otherwise prescribed herein.

(iii) Whenever, in the administration of this Guarantee Agreement, the Guarantee Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting to take any action hereunder, the Guarantee Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officers' Certificate which, upon receipt of such request from the Guarantee Trustee, shall be promptly delivered by the Guarantor.

(iv) The Guarantee Trustee may consult with legal counsel, and the written advice or opinion of such legal counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such advice or opinion. Such legal counsel may be legal counsel to the Guarantor or any of its Affiliates and may be one of its employees. The Guarantee Trustee shall have the right at any time to seek instructions concerning the administration of this Guarantee Agreement from any court of competent jurisdiction.

(v) The Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Guarantee Agreement at the request or direction of any Holder, unless such Holder shall have provided to the Guarantee Trustee such adequate security and indemnity as would satisfy a reasonable person in the position of the Guarantee Trustee, against the costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Guarantee Trustee; provided that, nothing contained in this Section 3.02(a)(v) shall be taken to relieve the Guarantee Trustee, upon the occurrence of an Event of Default, of its obligation to exercise the rights and powers vested in it by this Guarantee Agreement and use the same degree of care and skill in the exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(vi) The Guarantee Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Guarantee Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(vii) The Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents or attorneys or any Affiliate, and the Guarantee Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by it hereunder.

(viii) Whenever in the administration of this Guarantee Agreement the Guarantee Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action

hereunder, the Guarantee Trustee (A) may request instructions from the Holders, (B) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (C) shall be protected in acting in accordance with such instructions.

(b) No provision of this Guarantee Agreement shall be deemed to impose any duty or obligation on the Guarantee Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Guarantee Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Guarantee Trustee shall be construed to be a duty to act in accordance with such power and authority.

SECTION 3.03. Indemnity. The Guarantor agrees to indemnify the Guarantee Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Guarantee Trustee, arising out of or in connection with the acceptance or administration of this Guarantee Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Guarantee Trustee will not claim or exact any lien or charge on any Guarantee Payment as a result of any amount due to it under this Guarantee Agreement.

ARTICLE 4 GUARANTEE TRUSTEE

SECTION 4.01. Guarantee Trustee; Eligibility. (a) There shall at all times be a Guarantee Trustee which shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000, and shall be a corporation meeting the requirements of Section 310(a) of the Trust Indenture Act. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority, then, for the purposes of this Section and to the extent permitted by the Trust Indenture Act, the combined capital and surplus of such corporation shall be deemed

to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Guarantee Trustee shall cease to be eligible to so act under Section 4.01(a), the Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.02(c).

(c) If the Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Guarantee Trustee and Guarantor shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 4.02. Appointment, Removal and Resignation of the Guarantee Trustee. (a) Subject to Section 4.02(b) and, so long as an Event of Default shall not have occurred and be continuing, the Guarantee Trustee may be appointed or removed without cause at any time by the Guarantor.

(b) The Guarantee Trustee shall not be removed until a Successor Guarantee Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Guarantee Trustee and delivered to the Guarantor.

(c) The Guarantee Trustee appointed hereunder shall hold office until a Successor Guarantee Trustee shall have been appointed or until its removal or resignation. The Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Guarantee Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Guarantee Trustee has been appointed and has accepted such appointment by an instrument in writing executed by such Successor Guarantee Trustee and delivered to the Guarantor and the resigning Guarantee Trustee.

(d) If no Successor Guarantee Trustee shall have been appointed and accepted appointment as provided in this Section 4.02 within 60 days after delivery to the Guarantor of an instrument of resignation, the resigning Guarantee Trustee may petition, at the expense of the Guarantor, any court of competent jurisdiction for appointment of a Successor Guarantee Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Guarantee Trustee.

ARTICLE 5
GUARANTEE

SECTION 5.01. Guarantee. The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by or on behalf of the Issuer), as and when due, regardless of any defense, right of set-off or counterclaim which the Issuer may have or assert. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holders or by causing the Issuer to pay such amounts to the Holders.

SECTION 5.02. Waiver of Notice and Demand. The Guarantor hereby waives notice of acceptance of the Guarantee Agreement and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Guarantee Trustee, Issuer or any other Person before proceeding against the Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

SECTION 5.03. Obligations Not Affected. The obligations, covenants, agreements and duties of the Guarantor under this Guarantee Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following: (a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the Distributions (other than an extension of time for payment of Distributions that results from the extension of any interest payment period on the Debentures as so provided in the Indenture), Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities;

(c) any failure, omission, delay or lack of diligence on the part of the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of

creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, the Preferred Securities;

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or

(g) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor, it being the intent of this Section 5.03 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances.

There shall be no obligation of the Holders or the Guarantee Trustee to give notice to, or obtain the consent of, the Guarantor with respect to the happening of any of the foregoing.

SECTION 5.04. Rights of Holders. The Guarantor expressly acknowledges that: (i) this Guarantee Agreement will be deposited with the Guarantee Trustee to be held for the benefit of the Holders; (ii) the Guarantee Trustee has the right to enforce this Guarantee Agreement on behalf of the Holders; (iii) the Holders of a Majority in Liquidation Preference of the Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of this Guarantee Agreement or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; and (iv) any Holder may institute a legal proceeding directly against the Guarantor to enforce its rights under this Guarantee Agreement, without first instituting a legal proceeding against the Guarantee Trustee, the Issuer or any other Person.

SECTION 5.05. Guarantee of Payment. This Guarantee Agreement creates a guarantee of payment and not of collection. This Guarantee Agreement will not be discharged except by payment of the Guarantee Payments in full (without duplication of amounts theretofore paid by the Issuer) or upon distribution of Debentures to Holders as provided in the Trust Agreement.

SECTION 5.06. Subrogation. The Guarantor shall be subrogated to all (if any) rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Guarantor under this Guarantee Agreement and shall have the right to waive payment by the Issuer pursuant to Section 5.01; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a

result of payment under this Guarantee Agreement, if, at the time of any such payment, any amounts are due and unpaid under this Guarantee Agreement. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold such amount in trust for the Holders and to pay over such amount to the Holders.

SECTION 5.07. Independent Obligations. The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Preferred Securities and that the Guarantor shall be liable as principal and as debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections (a) through (g), inclusive, of Section 5.03 hereof.

ARTICLE 6
COVENANTS AND SUBORDINATION

SECTION 6.01. Subordination. The Guarantee Agreement will constitute an unsecured obligation of the Guarantor and will rank subordinate and junior in right of payment to all Senior Debt of the Guarantor.

ARTICLE 7
TERMINATION

SECTION 7.01. Termination. This Guarantee Agreement shall terminate and be of no further force and effect upon (i) full payment of the Redemption Price of all Preferred Securities, (ii) the distribution of Debentures to the Holders in exchange for all of the Preferred Securities or (iii) full payment of the amounts payable in accordance with the Trust Agreement upon liquidation of the Issuer. Notwithstanding the foregoing, this Guarantee Agreement will continue to be effective or will be reinstated, as the case may be, if at any time any Holder must restore payment of any sums paid with respect to Preferred Securities or this Guarantee Agreement.

ARTICLE 8
MISCELLANEOUS

SECTION 8.01. Successors and Assigns. All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders of the Preferred Securities then outstanding. Except in connection with a consolidation, merger or sale involving the Guarantor that is permitted under Article Eight of the Indenture and pursuant to which the assignee agrees in writing to perform the Guarantor's obligations hereunder, the Guarantor shall not assign its obligations hereunder.

SECTION 8.02. Amendments. Except with respect to any changes which do not adversely affect the rights of the Holders in any material respect (in which case no consent of the Holders will be required), this Guarantee Agreement may only be amended with the prior approval of the Holders of not less than a Majority in Liquidation Preference of the Securities. The provisions of Article 6 of the Trust Agreement concerning meetings of the Holders shall apply to the giving of

such approval. The Guarantor shall furnish the Guarantee Trustee with an Officers' Certificate to the effect that any amendment of this Agreement is authorized and permitted.

SECTION 8.03. Notices. Any notice, request or other communication required or permitted to be given hereunder shall be in writing, duly signed by the party giving such notice, and delivered, telecopied or mailed by first class mail as follows: (a) if given to the Guarantor, to the address set forth below or such other address as the Guarantor may give notice of to the Holders:

Texas Instruments Incorporated
13500 North Central Expressway
P.O. Box 655474
Dallas, Texas 75265-5474

Facsimile No.: (214) 995-3511
Attention: Secretary

(b) if given to the Issuer, in care of the Guarantee Trustee, at the Issuer's (and the Guarantee Trustee's) address set forth below or such other address as the Guarantee Trustee on behalf of the Issuer may give notice of to the Holders:

Texas Instruments Financial Trust
c/o Texas Instruments Incorporated
13500 North Central Expressway
P.O. Box 655474
Dallas, Texas 75265-5474

Facsimile No.: (214) 995-3511
Attention: Secretary
with a copy to:

The First National Bank of Chicago
One First National Plaza, Suite 0126
Chicago, Illinois 60670-0126

Facsimile No.: (312) 407-1708
Attention: Corporate Trust Services Division

(c) if given to any Holder, at the address set forth on the books and records of the Issuer.

All notices hereunder shall be deemed to have been given when received in person, telecopied with receipt confirmed, or mailed by first class mail, postage

prepaid, except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

SECTION 8.04. Benefit. This Guarantee Agreement is solely for the benefit of the Holders and is not separately transferable from the Preferred Securities.

SECTION 8.05. Interpretation. In this Guarantee Agreement, unless the context otherwise requires: (a) capitalized terms used in this Guarantee Agreement but not defined in the preamble hereto have the respective meanings assigned to them in Section 1.01;

(b) a term defined anywhere in this Guarantee Agreement has the same meaning throughout;

(c) all references to "the Guarantee Agreement" or "this Guarantee Agreement" are to this Guarantee Agreement as modified, supplemented or amended from time to time;

(d) all references in this Guarantee Agreement to Articles and Sections are to Articles and Sections of this Guarantee Agreement unless otherwise specified;

(e) a term defined in the Trust Indenture Act has the same meaning when used in this Guarantee Agreement unless otherwise defined in this Guarantee Agreement or unless the context otherwise requires;

(f) a reference to the singular includes the plural and vice versa; and

(g) the masculine, feminine or neuter genders used herein shall include the masculine, feminine and neuter genders.

SECTION 8.06. Governing Law. THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

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THIS GUARANTEE AGREEMENT is executed as of the day and year first above
written.

TEXAS INSTRUMENTS INCORPORATED

By: -----
Name:
Title:

THE FIRST NATIONAL BANK OF
CHICAGO, as
Guarantee Trustee

By: -----
Name:
Title:

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Texas Instruments Incorporated for the registration of \$400,000,000 of Texas Instruments Financial Trust Preferred Securities, Texas Instruments Incorporated Guarantee of Texas Instruments Financial Trust Preferred Securities, Texas Instruments Incorporated Junior Subordinated Deferrable Interest Debentures, and Texas Instruments Incorporated Common Stock, and to the incorporation by reference therein of our report dated January 22, 1996, with respect to the consolidated financial statements and schedule of Texas Instruments Incorporated included in its Annual Report (Form 10-K) for the year ended December 31, 1995 as amended by the Form 10-K/A, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

June 27, 1996
Dallas, Texas

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM P. WEBER, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 15th day of June, 1996.

/s/ JAMES R. ADAMS

James R. Adams

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM P. WEBER, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 20th day of June, 1996.

/s/ DAVID L. BOREN

David L. Boren

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM P. WEBER, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 15th day of June, 1996.

/s/ JAMES B. BUSEY IV

 James B. Busey IV

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 21st day of June, 1996.

/s/ THOMAS J. ENGIBOUS

Thomas J. Engibous

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM P. WEBER, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 20th day of June, 1996.

/s/ GERALD W. FRONTERHOUSE

Gerald W. Fronterhouse

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM P. WEBER, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 20th day of June, 1996.

/s/ DAVID R. GOODE

 David R. Goode

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM P. WEBER, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 16th day of June, 1996.

/s/ MARVIN M. LANE, JR.

Marvin M. Lane, Jr.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM P. WEBER, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 19th day of June, 1996.

/s/ WILLIAM S. LEE

William S. Lee

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM P. WEBER, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 20th day of June, 1996.

/s/ WILLIAM B. MITCHELL

William B. Mitchell

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM P. WEBER, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, her true and lawful attorneys-in-fact and agents, with full and several power of substitution, for her and in her name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 20th day of June, 1996.

/s/ GLORIA M. SHATTO

Gloria M. Shatto

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-3 in connection with the registration of securities of Texas Instruments Incorporated from which Texas Instruments Incorporated will receive proceeds of up to an aggregate of \$400,000,000, and any or all amendments to such Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 20th day of June, 1996.

/s/ WILLIAM P. WEBER

William P. Weber

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY

UNDER THE TRUST INDENTURE ACT OF 1939

OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(B)(2) _____

THE FIRST NATIONAL BANK OF CHICAGO
(Exact name of trustee as specified in its charter)

A National Banking Association

36-0899825
(I.R.S. employer
identification number)

One First National Plaza, Chicago, Illinois
(Address of principal executive offices)

60670-0126
(Zip Code)

The First National Bank of Chicago
One First National Plaza, Suite 0286
Chicago, Illinois 60670-0286
Attn: Lynn A. Goldstein, Law Department (312) 732-6919
(Name, address and telephone number of agent for service)

TEXAS INSTRUMENTS INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

75-0289970
(I.R.S. employer
identification number)

13500 North Central Expressway
P.O. Box 655474
Dallas, Texas
(Address of principal executive offices)

75265-5474
(Zip Code)

Guarantee by Texas Instruments Incorporated of Preferred Securities of Texas
Instruments Financial Trust
Junior Subordinated Deferrable Interest Debentures
(Title of the indenture securities)

Item 1. General Information. Furnish the following information as to the trustee:

(A) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISION AUTHORITY TO WHICH IT IS SUBJECT.

Comptroller of Currency, Washington, D. C., Federal Deposit Insurance Corporation, Washington, D. C., The Board of Governors of the Federal Reserve System, Washington, D. C.

(B) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

The trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR. IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

No such affiliation exists with the trustee.

ITEM 16. LIST OF EXHIBITS. LIST BELOW ALL EXHIBITS FILED AS A PART OF THIS STATEMENT OF ELIGIBILITY.

1. A copy of the articles of association of the trustee now in effect.*
2. A copy of the certificates of authority of the trustee to commence business.*
3. A copy of the authorization of the trustee to exercise corporate trust powers.*
4. A copy of the existing by-laws of the trustee.*
5. Not applicable.
6. The consent of the trustee required by Section 321(b) of the Act.
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not applicable.
9. Not applicable.

* EXHIBITS 1, 2, 3 AND 4 ARE HEREIN INCORPORATED BY REFERENCE TO EXHIBITS BEARING IDENTICAL NUMBERS IN ITEM 12 OF THE FORM T-1 OF THE FIRST NATIONAL BANK OF CHICAGO, FILED AS EXHIBIT 26 TO THE REGISTRATION STATEMENT ON FORM S-3 OF THE CIT GROUP HOLDINGS, INC., FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 16, 1993 (REGISTRATION NO. 33-58418).

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, The First National Bank of Chicago, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago, and State of Illinois, on the 25th day of June, 1996.

The First National Bank of Chicago,
Trustee,

By: /s/ STEVEN M. WAGNER

Steven M. Wagner
Vice President and Senior Counsel
Corporate Trust Services Division

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

June 25, 1996

Securities and Exchange Commission
Washington, D. C. 20549

Gentlemen:

In connection with the qualification of an Indenturee and Gurantee Agreement of Texas Instruments Incorporated, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State Authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

THE FIRST NATIONAL BANK OF CHICAGO

By: /s/ STEVEN M. WAGNER

Steven M. Wagner
Vice President and Senior Counsel
Corporate Trust Services Division

EXHIBIT 7

A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

EXHIBIT 7

Legal Title of Bank: The First National Bank of Chicago
 Address: One First National Plaza, Suite 0460
 City, State Zip: Chicago, IL 60670-0460
 FDIC Certificate No.: 0/3/6/1/8

Call Date: 03/31/96 ST-BK: 17-1630 FFIEC 031
 Page RC-1

CONSOLIDATED REPORT OF CONDITION FOR INSURED COMMERCIAL
 AND STATE-CHARTERED SAVINGS BANKS FOR MARCH 31, 1996

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

SCHEDULE RC--BALANCE SHEET

	DOLLAR AMOUNTS IN THOUSANDS	C400		
		RCFD	BIL MIL THOU	<-
ASSETS				
1. Cash and balances due from depository institutions (from Schedule RC-A):				
a. Noninterest-bearing balances and currency and coin(1)		0081	3,047,140	1.a.
b. Interest-bearing balances(2)		0071	8,488,390	1.b.
2. Securities				
a. Held-to-maturity securities (from Schedule RC-B, column A)		1754	0	2.a.
b. Available-for-sale securities (from Schedule RC-B, column D)		1773	997,155	2.b.
3. Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and its Edge and Agreement subsidiaries, and in IBFs:				
a. Federal Funds sold		0276	3,384,301	3.a.
b. Securities purchased under agreements to resell		0277	685,531	3.b.
4. Loans and lease financing receivables:				
a. Loans and leases, net of unearned income (from Schedule RC-C)	RCFD 2122	16,884,488		4.a.
b. LESS: Allowance for loan and lease losses	RCFD 3123	358,448		4.b.
c. LESS: Allocated transfer risk reserve	RCFD 3128	0		4.c.
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)		2125	16,526,040	4.d.
5. Assets held in trading accounts		3545	10,974,841	5.
6. Premises and fixed assets (including capitalized leases)		2145	592,581	6.
7. Other real estate owned (from Schedule RC-M)		2150	9,952	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)		2130	42,098	8.
9. Customers' liability to this bank on acceptances outstanding		2155	564,435	9.
10. Intangible assets (from Schedule RC-M)		2143	96,463	10.
11. Other assets (from Schedule RC-F)		2160	1,703,124	11.
12. Total assets (sum of items 1 through 11)		2170	47,112,051	12.

(1) Includes cash items in process of collection and unposted debits.
 (2) Includes time certificates of deposit not held in trading accounts.

Legal Title of Bank: The First National Bank of Chicago
 Address: One First National Plaza, Suite 0460
 City, State Zip: Chicago, IL 60670-0460
 FDIC Certificate No.: 0/3/6/1/8

Call Date: 03/31/96 ST-BK: 17-1630 FFIEC 031
 Page RC-2

SCHEDULE RC-CONTINUED

	DOLLAR AMOUNTS IN THOUSANDS		BIL MIL THOU		
	-----		-----		
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part 1)			RCON 2200	14,251,874	13.a.
(1) Noninterest-bearing(1)	RCON 6631	5,707,786			13.a.(1)
(2) Interest-bearing	RCON 6636	8,544,088			13.a.(2)
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)			RCFN 2200	12,839,836	13.b.
(1) Noninterest-bearing	RCFN 6631	196,311			13.b.(1)
(2) Interest-bearing	RCFN 6636	12,643,525			13.b.(2)
14. Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:					
a. Federal funds purchased			RCFD 0278	2,692,008	14.a.
b. Securities sold under agreements to repurchase			RCFD 0279	1,165,032	14.b.
15. a. Demand notes issued to the U.S. Treasury					
b. Trading Liabilities			RCON 2840	77,000	15.a.
16. Other borrowed money:					
a. With original maturity of one year or less			RCFD 2332	2,223,560	16.a.
b. With original maturity of more than one year			RCFD 2333	144,665	16.b.
17. Mortgage indebtedness and obligations under capitalized leases					
a. Bank's liability on acceptance executed and outstanding			RCFD 2910	283,041	17.
18. Subordinated notes and debentures					
a. Other liabilities (from Schedule RC-G)			RCFD 2920	564,435	18.
b. Total liabilities (sum of items 13 through 20)			RCFD 3200	1,275,000	19.
c. Limited-Life preferred stock and related surplus			RCFD 2930	1,411,087	20.
EQUITY CAPITAL					
a. Perpetual preferred stock and related surplus			RCFD 2948	44,030,838	21.
b. Common stock			RCFD 3282	0	22.
c. Surplus (exclude all surplus related to preferred stock)			RCFD 3838	0	23.
d. a. Undivided profits and capital reserves			RCFD 3230	200,858	24.
d. b. Net unrealized holding gains (losses) on available-for-sale securities			RCFD 3839	2,320,326	25.
e. Cumulative foreign currency translation adjustments			RCFD 3632	559,707	26.a.
f. Total equity capital (sum of items 23 through 27)			RCFD 8434	730	26.b.
g. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)			RCFD 3284	(408)	27.
			RCFD 3210	3,081,213	28.
			RCFD 3300	47,112,051	29.

Memorandum
 To be reported only with the March Report of Condition.
 1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1992

	Number	
RCFD 6724	2	M.1.

- | | |
|--|--|
| <p>1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank</p> <p>2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)</p> <p>3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)</p> | <p>4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)</p> <p>5 = Review of the bank's financial statements by external auditors</p> <p>6 = Compilation of the bank's financial statements by external auditors</p> <p>7 = Other audit procedures (excluding tax preparation work)</p> <p>8 = No external audit work</p> |
|--|--|

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY

UNDER THE TRUST INDENTURE ACT OF 1939

OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(B)(2) _____

THE FIRST NATIONAL BANK OF CHICAGO
(Exact name of trustee as specified in its charter)

A National Banking Association	36-0899825 (I.R.S. employer identification number)
One First National Plaza, Chicago, Illinois (Address of principal executive offices)	60670-0126 (Zip Code)

The First National Bank of Chicago
One First National Plaza, Suite 0286
Chicago, Illinois 60670-0286
Attn: Lynn A. Goldstein, Law Department (312) 732-6919
(Name, address and telephone number of agent for service)

TEXAS INSTRUMENTS FINANCIAL TRUST
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	To Be Applied For (I.R.S. employer identification number)
13500 North Central Expressway P.O. Box 655474 Dallas, Texas (Address of principal executive offices)	75265-5474 (Zip Code)

Preferred Securities
(Title of the indenture securities)

Item 1. General Information. Furnish the following information as to the trustee:

(A) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISION AUTHORITY TO WHICH IT IS SUBJECT.

Comptroller of Currency, Washington, D. C., Federal Deposit Insurance Corporation, Washington, D. C., The Board of Governors of the Federal Reserve System, Washington, D. C.

(B) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

The trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR. IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

No such affiliation exists with the trustee.

ITEM 16. LIST OF EXHIBITS. LIST BELOW ALL EXHIBITS FILED AS A PART OF THIS STATEMENT OF ELIGIBILITY.

1. A copy of the articles of association of the trustee now in effect.*
2. A copy of the certificates of authority of the trustee to commence business.*
3. A copy of the authorization of the trustee to exercise corporate trust powers.*
4. A copy of the existing by-laws of the trustee.*
5. Not applicable.
6. The consent of the trustee required by Section 321(b) of the Act.
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not applicable.
9. Not applicable.

* EXHIBITS 1, 2, 3 AND 4 ARE HEREIN INCORPORATED BY REFERENCE TO EXHIBITS BEARING IDENTICAL NUMBERS IN ITEM 12 OF THE FORM T-1 OF THE FIRST NATIONAL BANK OF CHICAGO, FILED AS EXHIBIT 26 TO THE REGISTRATION STATEMENT ON FORM S-3 OF THE CIT GROUP HOLDINGS, INC., FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 16, 1993 (REGISTRATION NO. 33-58418).

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, The First National Bank of Chicago, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago, and State of Illinois, on the 25th day of June, 1996.

The First National Bank of Chicago,
Trustee,

By: /s/ STEVEN M. WAGNER

Steven M. Wagner
Vice President and Senior Counsel
Corporate Trust Services Division

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

June 25, 1996

Securities and Exchange Commission
Washington, D. C. 20549

Gentlemen:

In connection with the qualification of an Amended and Restated Trust Agreement among Texas Instruments Incorporated, as Depositor, The First National Bank of Chicago, as Property Trustee, First Chicago Delaware Inc., as Delaware Trustee, and the Administrative Trustees named therein, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State Authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

THE FIRST NATIONAL BANK OF CHICAGO

By: /s/ STEVEN M. WAGNER

Steven M. Wagner
Vice President and Senior Counsel
Corporate Trust Services Division

EXHIBIT 7

A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

Legal Title of Bank: The First National Bank of Chicago Call Date: 03/31/96 ST-BK: 17-1630 FFIEC 031
 Address: One First National Plaza, Suite 0460 Page RC-1
 City, State Zip: Chicago, IL 60670-0460
 FDIC Certificate No.: 0/3/6/1/8

CONSOLIDATED REPORT OF CONDITION FOR INSURED COMMERCIAL
 AND STATE-CHARTERED SAVINGS BANKS FOR MARCH 31, 1996

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

SCHEDULE RC--BALANCE SHEET

	DOLLAR AMOUNTS IN THOUSANDS	C400		<- ----
		RCFD	BIL MIL THOU	
ASSETS				
1. Cash and balances due from depository institutions (from Schedule RC-A):				
a. Noninterest-bearing balances and currency and coin(1)		0081	3,047,140	1.a.
b. Interest-bearing balances(2)		0071	8,488,390	1.b.
2. Securities				
a. Held-to-maturity securities (from Schedule RC-B, column A)		1754	0	2.a.
b. Available-for-sale securities (from Schedule RC-B, column D)		1773	997,155	2.b.
3. Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and its Edge and Agreement subsidiaries, and in IBFs:				
a. Federal Funds sold		0276	3,384,301	3.a.
b. Securities purchased under agreements to resell		0277	685,531	3.b.
4. Loans and lease financing receivables:				
a. Loans and leases, net of unearned income (from Schedule RC-C)	RCFD 2122	16,884,488		4.a.
b. LESS: Allowance for loan and lease losses	RCFD 3123	358,448		4.b.
c. LESS: Allocated transfer risk reserve	RCFD 3128	0		4.c.
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)		2125	16,526,040	4.d.
5. Assets held in trading accounts		3545	10,974,841	5.
6. Premises and fixed assets (including capitalized leases)		2145	592,581	6.
7. Other real estate owned (from Schedule RC-M)		2150	9,952	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)		2130	42,098	8.
9. Customers' liability to this bank on acceptances outstanding		2155	564,435	9.
10. Intangible assets (from Schedule RC-M).		2143	96,463	10.
11. Other assets (from Schedule RC-F)		2160	1,703,124	11.
12. Total assets (sum of items 1 through 11)		2170	47,112,051	12.

- (1) Includes cash items in process of collection and unposted debits.
 (2) Includes time certificates of deposit not held in trading accounts.

Legal Title of Bank: The First National Bank of Chicago Call Date: 05/31/96 ST-BK: 17-1630 FFIEC 031
 Address: One First National Plaza, Suite 0460 Page RC-2
 City, State Zip: Chicago, IL 60670-0460
 FDIC Certificate No.: 0/3/6/1/8

SCHEDULE RC-CONTINUED

	DOLLAR AMOUNTS IN THOUSANDS		BIL MIL THOU		
	-----		-----		
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part 1)			RCON 2200	14,251,874	13.a.
(1) Noninterest-bearing(1)	RCON 6631	5,707,786			13.a.(1)
(2) Interest-bearing	RCON 6636	8,544,088			13.a.(2)
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)			RCFN 2200	12,839,836	13.b.
(1) Noninterest-bearing	RCFN 6631	196,311			13.b.(1)
(2) Interest-bearing	RCFN 6636	12,643,525			13.b.(2)
14. Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:					
a. Federal funds purchased			RCFD 0278	2,692,008	14.a.
b. Securities sold under agreements to repurchase			RCFD 0279	1,165,032	14.b.
15. a. Demand notes issued to the U.S. Treasury					
			RCON 2840	77,000	15.a.
b. Trading Liabilities					
			RCFD 3548	7,103,300	15.b.
16. Other borrowed money:					
a. With original maturity of one year or less			RCFD 2332	2,223,560	16.a.
b. With original maturity of more than one year			RCFD 2333	144,665	16.b.
17. Mortgage indebtedness and obligations under capitalized leases					
			RCFD 2910	283,041	17.
18. Bank's liability on acceptance executed and outstanding					
			RCFD 2920	564,435	18.
19. Subordinated notes and debentures					
			RCFD 3200	1,275,000	19.
20. Other liabilities (from Schedule RC-G)					
			RCFD 2930	1,411,087	20.
21. Total liabilities (sum of items 13 through 20)					
			RCFD 2948	44,030,838	21.
22. Limited-Life preferred stock and related surplus					
			RCFD 3282	0	22.
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus					
			RCFD 3838	0	23.
24. Common stock					
			RCFD 3230	200,858	24.
25. Surplus (exclude all surplus related to preferred stock)					
			RCFD 3839	2,320,326	25.
26. a. Undivided profits and capital reserves					
			RCFD 3632	559,707	26.a.
b. Net unrealized holding gains (losses) on available-for-sale securities					
			RCFD 8434	730	26.b.
27. Cumulative foreign currency translation adjustments					
			RCFD 3284	(408)	27.
28. Total equity capital (sum of items 23 through 27)					
			RCFD 3210	3,081,213	28.
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)					
			RCFD 3300	47,112,051	29.

Memorandum

To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external

auditors as of any date during 1995	Number RCFD 6724	2	M.1.
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- | | |
|--|---|
| <p>1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank</p> <p>2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)</p> <p>3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)</p> | <p>4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)</p> <p>5 = Review of the bank's financial statements by external auditors</p> <p>6 = Compilation of the bank's financial statements by auditors</p> <p>7 = Other audit procedures (excluding tax preparation work)</p> <p>8 = No external audit work</p> |
|--|---|

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.