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# FORM 6-K

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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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**Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16  
under the Securities Exchange Act of 1934**

**For the month of March 2011**

**Commission File Number 0-16174**

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## TEVA PHARMACEUTICAL INDUSTRIES LIMITED

(Translation of registrant's name into English)

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**5 Basel Street, P.O. Box 3190**

**Petach Tikva 49131 Israel**

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒

Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S- T Rule 101(b)

(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S- T Rule 101(b)

(7): \_\_\_\_\_

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On March 21, 2011, Teva Pharmaceutical Industries Limited (“Teva”) consummated, through one of its special purpose finance subsidiaries, the previously announced offering of an aggregate of \$750 million of debt securities comprised of: (i) \$250 million in aggregate principal amount of 1.700% Senior Notes due 2014 (the “Fixed Rate Notes”) of Teva Pharmaceutical Finance III B.V., an indirect wholly owned subsidiary of Teva (“Teva Finance”) and (ii) \$500 million in aggregate principal amount of Floating Rate Senior Notes due 2014 (the “Floating Rate Notes”) of Teva Finance. All of these securities were guaranteed by Teva.

All of these securities were offered pursuant to Teva’s effective Registration Statement on Form F-3 (File No. 333-155927) under the Securities Act of 1933, as amended. This Form 6-K, including the exhibits hereto, is intended to be incorporated by reference into such Registration Statement.

The Underwriting Agreement, dated March 16, 2011, by and among Teva, Teva Finance and Barclays Capital Inc., Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, as representatives of the several underwriters named on Schedule I thereto, relating to the offer and sale of the Fixed Rate Notes and the Floating Rate Notes is attached hereto as Exhibit 1.1 and is incorporated herein by reference.

The Fixed Rate Notes and the Floating Rate Notes were issued pursuant to a Senior Indenture, dated March 21, 2011 (the “Base Indenture”), as supplemented by a First Supplemental Senior Indenture, dated March 21, 2011 (the “Supplemental Indenture”), by and among Teva Finance, Teva and The Bank of New York Mellon, as trustee. The Base Indenture is attached hereto as Exhibit 4.1 and is incorporated herein by reference. The Supplemental Indenture, together with the forms of the Fixed Rate Notes and the Floating Rate Notes, is attached hereto as Exhibit 4.2 and is incorporated herein by reference.

A legality opinion issued by Tulchinsky Stern Marciano Cohen Levitsky & Co. as to matters of Israeli law is attached hereto as Exhibit 5.1 and is incorporated herein by reference. A legality opinion of Willkie Farr & Gallagher LLP as to matters of New York law is attached hereto as Exhibit 5.2 and is incorporated herein by reference. A legality opinion of VanEps Kunneman VanDoorne as to matters of Curaçao law is attached hereto as Exhibit 5.3 and is incorporated herein by reference.

## **SIGNATURES**

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

TEVA PHARMACEUTICAL INDUSTRIES  
LIMITED  
(Registrant)

By: /s/ Eyal Desheh

Name: Eyal Desheh

Title: Chief Financial Officer

Date: March 21, 2011

## **EXHIBITS**

- 1.1 Underwriting Agreement, dated as of March 16, 2011, by and among Teva Pharmaceutical Finance III B.V., Teva Pharmaceutical Industries Limited and Barclays Capital Inc., Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, as representatives of the several underwriters named on Schedule I thereto.
- 4.1 Senior Indenture, dated as of March 21, 2011, by and among Teva Pharmaceutical Finance III B.V., Teva Pharmaceutical Industries Limited and The Bank of New York Mellon.
- 4.2 First Supplemental Senior Indenture, dated as of March 21, 2011, by and among Teva Pharmaceutical Finance III B.V., Teva Pharmaceutical Industries Limited and The Bank of New York Mellon (including forms of notes).
- 5.1 Opinion of Tulchinsky Stern Marciano Cohen Levitsky & Co.
- 5.2 Opinion of Willkie Farr & Gallagher LLP.
- 5.3 Opinion of VanEps Kunneman VanDoorne.
- 23.1 Consent of Tulchinsky Stern Marciano Cohen Levitsky & Co. (included in Exhibit 5.1 hereto).
- 23.2 Consent of Willkie Farr & Gallagher LLP (included in Exhibit 5.2 hereto).
- 23.3 Consent of VanEps Kunneman VanDoorne (included in Exhibit 5.3 hereto).

**TEVA PHARMACEUTICAL FINANCE III B.V.**

**\$500,000,000 Floating Rate Senior Notes due 2014**

**\$250,000,000 1.700% Senior Notes due 2014**

**Payment of principal and interest unconditionally guaranteed by**

**TEVA PHARMACEUTICAL INDUSTRIES LIMITED**

**UNDERWRITING AGREEMENT**

March 16, 2011

Barclays Capital Inc.  
Goldman, Sachs & Co.  
Morgan Stanley & Co. Incorporated

On behalf of the several  
Underwriters named in Schedule I hereto

c/o Barclays Capital Inc.  
745 Seventh Avenue  
New York, NY 10019

c/o Goldman, Sachs & Co.  
200 West Street  
New York, NY 10282

c/o Morgan Stanley & Co. Incorporated  
1585 Broadway  
New York, New York 10036

Ladies and Gentlemen:

Teva Pharmaceutical Finance III B.V. (the “Company”), a private limited liability company organized under the laws of Curaçao and an indirect wholly-owned subsidiary of Teva Pharmaceutical Industries Limited, a company organized under the laws of Israel (the “Guarantor”), proposes, subject to the terms and conditions stated herein, to issue and sell \$250,000,000 in aggregate principal amount of its 1.700% Senior Notes due 2014 (the “Fixed Rate Notes”) and \$500,000,000 in aggregate principal amount of its Floating Rate Senior Notes due 2014 (the “Floating Rate Notes”) and together with the Fixed Rate Notes, the “Notes),

which Notes are to be guaranteed by the Guarantor (the “Guarantees” and, together with the Notes, the “Securities”), to the underwriters named in Schedule I hereto (individually, each an “Underwriter” and collectively, the “Underwriters”), for whom Barclays Capital Inc., Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, are acting as representatives (the “Representatives”).

The Securities will be issued pursuant to an indenture, to be dated as of the Delivery Date (as defined in Section 2(a)), as supplemented by a supplemental indenture (such indenture, so supplemented, the “Indenture”) to be dated as of the Delivery Date, among the Company, the Guarantor and The Bank of New York Mellon, as Trustee (the “Trustee”).

You have advised the Company and the Guarantor that you will offer and sell the Securities purchased from them hereunder in accordance with Section 2 of this Agreement as soon as you deem advisable.

This Agreement and the Indenture are referred to herein collectively as the “Operative Agreements” and, together with the Notes, the “Operative Documents.”

Any reference herein to the Registration Statement, the Prospectus and the Preliminary Prospectus shall be deemed to refer to and include the Incorporated Documents as of the Effective Time of the Registration Statement or the issue date of such Prospectus or Preliminary Prospectus, respectively, and any reference herein to the terms “amend,” “amendment” or “supplement” with respect to the Registration Statement, the Prospectus and the Preliminary Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Time of the Registration Statement or the issue date of the Prospectus or Preliminary Prospectus, respectively, deemed to be incorporated therein by reference. Certain capitalized terms used herein are defined in Section 19.

This is to confirm the agreement between the Company, the Guarantor and the Underwriters concerning the issue, offer and sale of the Securities.

1. *Representations, Warranties and Agreements of the Company and the Guarantor.* The Company and the Guarantor, jointly and severally, represent, warrant to and agree with, the Underwriters that:

(a) The Registration Statement, setting forth information with respect to the Company, the Guarantor and the Securities is an automatic shelf registration statement as defined in Rule 405 of the rules and regulations of the Commission under the Securities Act (the “Rules and Regulations”). The Registration Statement, including a related Prospectus, has (i) been prepared by the Company and the Guarantor in conformity in all material respects with the requirements of the Securities Act of 1933, as amended (the “Securities Act”), (ii) been filed with the Commission under the Securities Act and (iii) become effective upon filing under the Securities Act. The Company and the Guarantor have included in such registration statement, as amended at the Effective Time, all information required by the Securities Act and the rules thereunder to be included in such registration statement and the related prospectus. The Company may have filed with the Commission a Preliminary Prospectus pursuant to Rule 424(b) of the Rules and Regulations, which has previously been furnished to you. The Company and

the Guarantor will file with the Commission the Prospectus in accordance with Rule 424(b) of the Rules and Regulations. As filed, such Prospectus will contain all information required by the Securities Act and the Rules and Regulations, and, except to the extent the Representatives will agree in writing to a modification, will be in all substantial respects in the form furnished to you prior to the Execution Time, or, to the extent not completed at the Execution Time, shall contain only such additional information and other changes as the Company and Guarantor have advised you, prior to the Execution Time, will be included or made therein or such changes as are made after consulting with you or your counsel.

(b) The conditions for use of Form F-3, as set forth in the General Instructions thereto, have been satisfied or waived.

(c) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will, when they are filed with the Commission, conform in all material respects to the requirements of the Securities Act and the Trust Indenture Act. The Registration Statement and any amendment thereto did not, as of the Effective Time and the Execution Time, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Prospectus does not and will not, as of the date thereof and the Delivery Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, it being understood that neither the Company nor the Guarantor makes any representation or warranty as to information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with written information furnished to the Company and the Guarantor by the Representatives, on behalf of the Underwriters, specifically for inclusion therein as provided in Section 7(e).

(d) The Incorporated Documents as amended or supplemented at the date hereof, when they were filed with the Commission, conformed in all material respects to the requirements of the Securities Act and the Exchange Act. None of the Incorporated Documents as amended or supplemented at the date hereof, when such documents were filed with the Commission, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Any further documents so filed and incorporated by reference in the Prospectus, when such documents are filed with Commission, will conform in all material respects to the requirements of the Exchange Act and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(e) The Disclosure Package and the final term sheet prepared and filed pursuant to Section 3(b) hereto, when taken together as a whole, as of the Execution Time, do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to information contained in or omitted from the Disclosure Package in reliance upon and in conformity with written

information furnished to the Company and the Guarantor by the Representatives, on behalf of the Underwriters, specifically for inclusion therein as provided in Section 7(e).

(f) (i) At the time of filing the Registration Statement, (ii) at the time of the most recent amendment thereto, if any, for the purposes of complying with Section 10(a)(3) of the Securities Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Sections 13 or 15(d) of the Exchange Act or form of prospectus), (iii) at the time the Company and the Guarantor or any person acting on their behalf (within the meaning, for this clause only, of Rule 163(c) of the Rules and Regulations) made any offer relating to the Securities in reliance on the exemption in Rule 163 of the Rules and Regulations, and (iv) at the Execution Time (with such date being used as the determination date for purposes of this clause (iv)), the Company and the Guarantor were or are (as the case may be) “well-known seasoned issuers” as defined in Rule 405 of the Rules and Regulations. The Company and the Guarantor agree to pay the fees required by the Commission relating to the Securities within the time required by Rule 456(b)(1) of the Rules and Regulations without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) of the Rules and Regulations.

(g) (i) At the earliest time after the filing of the Registration Statement that the Company or the Guarantor or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) of the Rules and Regulations) of the Securities and (ii) as of the Execution Time (with such date being used as the determination date for purposes of this clause (ii)), the Company and the Guarantor were not and are not Ineligible Issuers (as defined in Rule 405 of the Rules and Regulations), without taking account of any determination by the Commission pursuant to Rule 405 of the Rules and Regulations that it is not necessary that either the Company or the Guarantor be considered an Ineligible Issuer.

(h) Each Issuer Free Writing Prospectus and the final term sheet prepared and filed pursuant to Section 3(b) hereto do not include any information that conflicts with the information contained in the Registration Statement, including the Incorporated Documents and any prospectus supplement deemed to be a part thereof that has not been superseded or modified. The preceding sentence does not apply to information contained in or omitted from the Disclosure Package in reliance upon and in conformity with written information furnished to the Company and the Guarantor by the Representatives, on behalf of the Underwriters, specifically for inclusion therein as provided in Section 7(e).

(i) Each of the Guarantor and each “significant subsidiary” of the Guarantor (as such term is defined in Rule 1-02(w) of Regulation S-X) (each, a “Significant Subsidiary” and, collectively, the “Significant Subsidiaries”), other than the Company, has been duly organized and is validly existing in good standing under the laws of the jurisdiction in which it is chartered or organized, is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership or lease of property or the conduct of its business requires such qualification (except for where the failure to be so qualified would not have a material adverse effect on the business, properties, financial condition, results of operations or prospects of the Guarantor and its subsidiaries (including the Company), taken as a whole, except as set forth in or contemplated in each of the most recent Preliminary Prospectus and the Prospectus (exclusive of any amendment or supplement thereto) (a “Material Adverse

Effect”)), and has all corporate power and authority necessary to own or hold its properties and to conduct its business as described in each of the most recent Preliminary Prospectus and the Prospectus.

(j) The Company has been duly organized and is validly existing as a private limited liability company in the form of a besloten vennootschap in good standing under the laws of Curaçao, is qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification (except for where the failure to be so qualified would not have a Material Adverse Effect), and has all corporate power and authority necessary to own or hold its properties and to conduct its businesses as described in each of the most recent Preliminary Prospectus and the Prospectus.

(k) All the outstanding shares of capital stock of each Significant Subsidiary of the Guarantor (other than the Company) have been duly and validly authorized and issued and are fully paid and nonassessable, and, except as otherwise set forth in each of the most recent Preliminary Prospectus and the Prospectus, all outstanding shares of capital stock of such subsidiaries are owned by the Guarantor either directly or through wholly owned subsidiaries free and clear of any perfected security interest or any other security interests, claims, liens or encumbrances.

(l) All the outstanding shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and non-assessable and were not issued in violation of any preemptive or similar rights granted pursuant to the organizational documents of the Company or any statutory provisions of Curaçao law, and all outstanding shares of the Company are owned by the Guarantor either directly or through wholly owned subsidiaries free and clear of any perfected security interest or any other security interests, claims, liens or encumbrances.

(m) The Guarantor has an authorized capitalization as set forth in each of the most recent Preliminary Prospectus and the Prospectus.

(n) The statements contained in each of the prospectus supplement included in the most recent Preliminary Prospectus and the Prospectus Supplement under the caption “Description of the Notes and the Guarantees” and in the Base Prospectus under the caption “Description of Debt Securities and Guarantees,” insofar as they purport to summarize the provisions of the Indenture and the Securities, are accurate and complete in all material respects.

(o) The execution, delivery and performance of this Agreement and the other Operative Documents by the Company and the Guarantor, the issuance of the Securities will not (x) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or the Guarantor is a party or by which the Company or the Guarantor is bound or to which any of the properties or assets of the Company or the Guarantor is subject, except for any conflict, breach or violation that would not have, individually or in the aggregate, a Material Adverse Effect, or (y) result in any violation of the provisions of the memorandum of association or the articles of association of the Guarantor or the organizational documents of the Company or (z) result in any violation of any statute or any

order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or the Guarantor or any of their respective properties or assets; and except (i) such as have been or will be obtained under the Securities Act, the Trust Indenture Act and the rules and regulations promulgated thereunder, (ii) as required by the securities or “blue sky” laws of any state of the United States, (iii) such as have been or will be obtained under the applicable laws of Curaçao and (iv) the filing of Reports with the Israel Securities Authority, the Tel Aviv Stock Exchange and the Companies Registrar that may be required to be made after the date of this Agreement and the Closing Date, as applicable, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution, delivery and performance of the Operative Documents by the Company and the Guarantor, and the consummation of the transactions contemplated hereby and thereby.

(p) Each of the Company and the Guarantor has all corporate right, power and authority to execute and deliver this Agreement and perform its obligations hereunder; and this Agreement and the transactions contemplated hereby have been duly authorized, executed and delivered by each of the Company and the Guarantor.

(q) Each of the Company and the Guarantor has all corporate right, power and authority to execute and deliver the Indenture and perform its obligations thereunder; the Indenture has been duly authorized by each of the Company and the Guarantor, and on the Delivery Date, the Indenture will be qualified under the Trust Indenture Act and will have been duly executed and delivered by the Company and the Guarantor and, assuming due authorization, execution and delivery of the Indenture by the Trustee, will constitute a legally valid and binding agreement of each of the Company and the Guarantor, enforceable against each of the Company and the Guarantor in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing; and the Indenture conforms in all material respects to the description thereof contained in each of the most recent Preliminary Prospectus and the Prospectus.

(r) Each of the Company and the Guarantor has all necessary corporate right, power and authority to execute, issue and deliver the Notes and Guarantees, respectively, and perform its obligations thereunder; the Notes have been duly authorized by the Company and the Guarantees have been duly authorized by the Guarantor; when the Notes are executed, authenticated and issued in accordance with the terms of the Indenture and delivered to and paid for by the Underwriters pursuant to this Agreement on the Delivery Date (assuming due authentication of the Notes by the Trustee), such Notes will constitute legally valid and binding obligations of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing; when the Guarantees are executed and issued in accordance with the terms of the Indenture and the

Notes on which they are endorsed have been executed in accordance with the Indenture and delivered to and paid for by the Underwriters pursuant to this Agreement on the Delivery Date, such Guarantees will constitute legally valid and binding obligations of the Guarantor, and enforceable against the Guarantor in accordance with their terms and entitled to the benefit of the Indenture; and the Securities conform in all material respects to the description thereof contained in each of the most recent Preliminary Prospectus and the Prospectus.

(s) Except as described in each of the most recent Preliminary Prospectus and the Prospectus, there are no contracts, agreements or understandings between the Company or the Guarantor and any person granting such person the right (other than rights which have been waived or satisfied) to require the Company or the Guarantor to file a registration statement under the Securities Act with respect to any securities of the Company or the Guarantor owned or to be owned by such person or to require the Company or the Guarantor to include such securities in any securities being registered pursuant to any registration statement filed by the Company or the Guarantor under the Securities Act.

(t) Except as would not have a Material Adverse Effect, (x) the Guarantor, since the date of the latest audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus, and (y) the Company, at any time since its formation, has not sustained any material loss or interference with its respective business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree; and, (i) with respect to the Company, since the date on which it became a wholly owned subsidiary of the Guarantor, and (ii) with respect to the Guarantor, since the date of the most recent audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus, except for the transactions contemplated hereby or as described in each of the most recent Preliminary Prospectus and the Prospectus, there has not been any change in such entity's respective capital stock or long-term debt of the Company or the Guarantor, or any change or any development including a prospective change that would have a Material Adverse Effect, except (A) any exchanges into Ordinary Shares of the exchangeable securities discussed in Note 13 to the Guarantor's consolidated financial statements for the year ended December 31, 2010, or (B) any grants under the employee stock plans of the Guarantor or its subsidiaries ((A) and (B) together, the "Authorized Grants").

(u) The financial statements of the Guarantor (including the related notes and supporting schedules) incorporated by reference in the Prospectus present fairly the financial condition and results of operations of the Guarantor at the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Securities Act and the rules and regulations thereunder and have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis throughout the periods involved, subject to, only in the case of the unaudited financial statements, the absence of footnotes and ordinary year-end adjustments.

(v) Kesselman & Kesselman, which has certified the financial statements of the Guarantor included in each of the most recent Preliminary Prospectus and the Prospectus, and whose report is incorporated by reference in the Prospectus Supplement, is the independent

registered accounting firm with respect to the Guarantor within the meaning of the Securities Act and the Rules and Regulations.

(w) Except as would not have a Material Adverse Effect and except as disclosed in each of the most recent Preliminary Prospectus and the Prospectus, the Guarantor and its subsidiaries own or possess, or hold valid licenses in respect of, all patents, patent rights, licenses, inventions, copyrights, know-how, trade secrets, trademarks, service marks and trade names necessary for the conduct of its business in the manner described in each of the most recent Preliminary Prospectus and the Prospectus, and, except as described in each of the most recent Preliminary Prospectus and the Prospectus, the Guarantor has not received any notice of, and has no knowledge of, any infringement of or conflict with asserted rights of others with respect to any of the foregoing which, singly or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(x) Each of the Company and the Guarantor possesses all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct its business as now conducted and as described in each of the most recent Preliminary Prospectus and the Prospectus, except for such certificate, authorizations and permits the failure of which to possess, singly or in the aggregate, would not have a Material Adverse Effect, and neither the Company nor the Guarantor has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit, which singly or in the aggregate, would be reasonably likely to have a Material Adverse Effect, except as described in each of the most recent Preliminary Prospectus and the Prospectus.

(y) Except as disclosed in each of the most recent Preliminary Prospectus and the Prospectus, there are no legal or governmental proceedings pending to which the Company or the Guarantor is a party or of which any property or asset of the Company or the Guarantor is the subject which, singly or in the aggregate, would be reasonably likely to have a Material Adverse Effect; and to the Company's and the Guarantor's knowledge, no such proceedings are threatened or contemplated by governmental authorities or, except as set forth or contemplated in each of the most recent Preliminary Prospectus and the Prospectus, threatened by others.

(z) Each of the Company and the Guarantor is not (i) in violation of its organizational documents, (ii) in default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) in violation of any law, ordinance, governmental rule, regulation or court decree to which it or its properties or assets may be subject or has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its properties or to the conduct of its business, except to the extent that any such default, event or violation described in the foregoing clauses (ii) and (iii) would not have a Material Adverse Effect.

(aa) The Guarantor is subject to and in full compliance with the reporting requirements of section 13 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated under the Exchange Act.

(bb) The Guarantor and its subsidiaries (including the Company) (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its business and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except in each case of clauses (i), (ii) and (iii) where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a Material Adverse Effect.

(cc) Each of the Guarantor and its subsidiaries (including the Company), in its reasonable judgment, has concluded that there are no costs or liabilities associated with its respective compliance with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a Material Adverse Effect.

(dd) There are no stamp or other issuance or transfer taxes or duties or other similar fees or charges required to be paid by or on behalf of the Underwriters in connection with the execution and delivery of this Agreement or the issuance or sale by the Company of the Securities.

(ee) Each of the Company and the Guarantor has filed all foreign, national, federal, state and local tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Effect) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not have a Material Adverse Effect.

(ff) No subsidiary of the Guarantor (other than the Company) is currently prohibited, directly or indirectly, from paying any dividends to the Guarantor, from making any other distribution on such subsidiary's capital stock, from repaying to the Guarantor any loans or advances to such subsidiary from the Guarantor or from transferring any of such subsidiary's property or assets to the Guarantor or any other subsidiary of the Guarantor, except as described in or contemplated by each of the most recent Preliminary Prospectus and the Prospectus or except as would not have a Material Adverse Effect.

(gg) Each of (i) the Company, as of the Closing Date, and (ii) the Guarantor, as of the date hereof and the Closing Date, maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded

accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(hh) Neither the Company nor the Guarantor is an “investment company” or an entity “controlled” by an “investment company” within the meaning of such term under the Investment Company Act of 1940 and the rules and regulations of the Commission thereunder.

(ii) Except as otherwise disclosed in each of the most recent Preliminary Prospectus and the Prospectus, the Company (i) does not have any material lending or other relationship with any bank or lending affiliate of the Underwriters and (ii) does not intend to use any of the proceeds from the sale of the Securities hereunder to repay any outstanding debt owed to any affiliate of Underwriters.

(jj) None of the Guarantor or any of its affiliates has taken, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company in connection with the offering of the Securities.

(kk) Neither the Company nor the Guarantor has (i) issued or will issue any press or other public announcement referring to the proposed issue of the Securities unless the announcement adequately disclosed or will disclose that stabilizing action may take place in relation to the Securities or (ii) taken any other action that may result in the loss of the stabilization safe harbor in the United Kingdom by the Representatives.

## *2. Purchase, Sale and Delivery of Securities.*

(a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, (i) the Company agrees (and the Guarantor agrees to cause the Company) to sell and (ii) the Guarantor agrees to issue to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company and the Guarantor, at a purchase price of 99.692% of the principal amount thereof, the principal amount of the Fixed Rate Notes and Guarantees, respectively, set forth opposite such Underwriter’s name in Schedule I hereto and, at a purchase price of 99.75% of the principal amount thereof, the principal amount of Floating Rate Notes and Guarantees, respectively, set forth opposite such Underwriter’s name in Schedule I hereto. The aggregate amount due to the Company from the sale of the Notes is hereinafter referred to as the “purchase price.”

Delivery of and payment for the Securities shall be made at the offices of Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York, New York 10006, at 9:00 a.m. (New York time) on March 21, 2011, or such later date as the Representatives shall designate (the “Closing Date”), which date and time may be postponed by agreement among the Representatives, the Guarantor and the Company or as provided in Section 8 (such date and time of delivery and payment for the Securities being herein called the “Delivery Date”). Delivery of the Securities shall be made to the Underwriters against payment of the purchase price by the Underwriters. Payment for the Securities shall be effected either by wire transfer of immediately available funds to an account with a bank in The City of New York, the account number and the ABA number for such bank to be provided by the Company or the Guarantor to the

Representatives at least two business days in advance of the Delivery Date, or by such other manner of payment as may be agreed by the Company or the Guarantor and the Representatives.

(b) The Company will deliver against payment of the purchase price the Securities in the form of one or more permanent global certificates (the "Global Securities"), registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Beneficial interests in the Securities will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC and its participants, Euroclear or Clearstream, as applicable.

The Global Securities will be made available, at the request of the Representatives, for checking at least 24 hours prior to the Delivery Date.

(c) Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of the Underwriters hereunder.

3. *Further Agreements of the Company and the Guarantor.* The Company and the Guarantor, jointly and severally, further agree (and with respect to Section 3(c) the Underwriters agree):

(a) (i) To prepare the Prospectus in a form approved by the Representatives, which approval shall not be unreasonably withheld or delayed, and to file such Prospectus pursuant to Rule 424(b) of the Rules and Regulations not later than Commission's close of business on the second Business Day following the execution and delivery of this Agreement; (ii) to make no further amendment or any supplement to the Registration Statement or to the Prospectus (including to any Preliminary Prospectus) prior to the Delivery Date except as permitted herein; (iii) to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish the Underwriters with copies thereof; (iv) to file promptly all reports required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Securities; (v) to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending or objecting to the use of the Prospectus, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and (vi) in the event of the issuance of any stop order or of any order preventing or suspending or objecting to the use of the Prospectus or suspending any such qualification, to use promptly its reasonable best efforts to obtain its withdrawal, including, if necessary, by filing an amendment to the Registration Statement or a new registration statement and using its best efforts to have such amendment or new registration statement declared effective as soon as practicable.

(b) To prepare a final term sheet, containing solely a description of the Securities and the offering thereof, in a form approved by you and to file such term sheet pursuant to Rule 433(d) of the Rules and Regulations within the time required by such Rule.

(c) (i) Each of the Company and the Guarantor agrees that, unless they obtain or will obtain the prior written consent of the Representatives, and (ii) each Underwriter, severally and not jointly, agrees with the Company and the Guarantor that, unless it has obtained or will obtain, as the case may be, the prior written consent of the Guarantor, it has not made and will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a “free writing prospectus” (as defined in Rule 405 of the Rules and Regulations) required to be filed by the Company or the Guarantor with the Commission or retained by the Company or the Guarantor under Rule 433 of the Rules and Regulations, other than the final term sheet prepared and filed pursuant to Section 3(b) hereto; provided that the prior written consent of the parties hereto shall be deemed to have been given in respect of the Free Writing Prospectuses included in Schedule II hereto and any electronic road show.

Any such free writing prospectus consented to by the Representatives or the Company and the Guarantor is hereinafter referred to as a “Permitted Free Writing Prospectus.” The Company and the Guarantor agree that (x) they have treated and will treat, as the case may be, each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus and (y) they have complied and will comply, as the case may be, with the requirements of Rules 164 and 433 of the Rules and Regulations applicable to any Permitted Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping.

(d) To furnish promptly to the Underwriters and to counsel for the Underwriters, Cleary Gottlieb Steen & Hamilton LLP, if requested a signed or facsimile signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(e) If, at any time prior to the filing of the Prospectus pursuant to Rule 424(b) of the Rules and Regulations, any event occurs as a result of which the Disclosure Package would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made at such time not misleading, the Company will (1) notify promptly the Representatives so that any use of the Disclosure Package may cease until it is amended or supplemented; (2) amend or supplement the Disclosure Package to correct such statement or omission; and (3) supply any amendment or supplement to you in such quantities as you may reasonably request.

(f) To deliver promptly to the Underwriters and counsel for the Underwriters such number of the following documents as the Underwriters shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits) and (ii) the Prospectus and any amended or supplemented Prospectus and any Preliminary Prospectus, and each Issuer Free Writing Prospectus, and, if the delivery of a prospectus is required at any time after the Execution Time in connection with the offering or sale of the Securities (including in circumstances where such requirement may be satisfied pursuant to Rule 172 of the Rules and Regulations) and if at such

time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading when such Prospectus is delivered, or, if, in the opinion of counsel for the Underwriters, for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, to notify the Representatives and, upon their request, to prepare and furnish without charge to the Underwriters and to any dealer in securities as many copies of an amended or supplemented Prospectus which will correct such statement or omission or effect such compliance as the Underwriters may from time to time reasonably request. The Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(g) During the time that delivery of a prospectus is required for the initial offering and sale of Securities (including in circumstances where such requirement may be satisfied pursuant to Rule 172 of the Rules and Regulations), to file promptly with the Commission any amendment to the Registration Statement or the Prospectus or any supplement to the Prospectus, or new registration statement, that may, in the reasonable judgment of the Company or the Representatives, be required by the Securities Act or that is requested by the Commission.

(h) For so long as the delivery of a prospectus is required in connection with the initial offering or sale of the Securities (including in circumstances where such requirement may be satisfied pursuant to Rule 172 of the Rules and Regulations), prior to filing with the Commission any amendment to the Registration Statement, supplement to the Prospectus, Prospectus (including any Preliminary Prospectus), any document incorporated by reference in the Prospectus or any new registration statement, to furnish a copy thereof to the Underwriters and counsel for the Underwriters and obtain the consent of the Representatives, which consent shall not unreasonably be withheld or delayed.

(i) As soon as practicable after the Effective Time, to make generally available to the Company's security holders and to deliver to the Underwriters an earning statement of the Company and its consolidated subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158 of the Rules and Regulations).

(j) To apply the proceeds from the sale of the Securities as set forth under "Use of Proceeds" in each of the most recent Preliminary Prospectus and the Prospectus.

(k) From the date hereof through the Closing Date, not to, directly or indirectly, offer for sale, sell or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition or purchase by any person at any time in the future of), or announce an offering of any debt securities issued or guaranteed by the Guarantor or the Company without the prior written consent of the Representatives.

(l) Not to take, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or

manipulation of the price of any security of the Guarantor or the Company in connection with the offering of the Securities.

(m) To take such steps as shall be necessary to ensure that neither the Guarantor nor the Company shall become an “investment company” within the meaning of such term under the Investment Company Act, and the rules and regulations of the Commission thereunder.

(n) To use its reasonable best efforts to cause the Securities to be accepted for clearance and settlement through the facilities of DTC, Euroclear or Clearstream, as applicable.

4. *Expenses.* The Company and the Guarantor, jointly and severally, agree to pay:

(a) the costs incident to the authorization, issuance, sale and delivery of the Securities, and any taxes payable in that connection;

(b) the costs incident to the preparation, printing and distribution of the Prospectus and any amendment or supplement to the Prospectus (including any Preliminary Prospectus) or the Registration Statement and any Issuer Free Writing Prospectus, all as provided in this Agreement;

(c) the costs of producing and distributing the Operative Documents;

(d) the fees and expenses of Willkie Farr & Gallagher LLP (“Willkie Farr”), Tulchinsky Stern Marciano Cohen Levitski & Co. Law Offices (“Tulchinsky Stern”), VanEps Kunneman VanDoorne and Kesselman & Kesselman;

(e) the costs of distributing the terms of agreement relating to the organization of the underwriting syndicate and selling group to the members thereof by mail, telex or other means of communication and any transfer and stamp tax on the Securities due upon resale by the Underwriters of Securities purchased under this Agreement;

(f) all fees and expenses incurred in connection with any rating of the Securities;

(g) the costs of preparing the Securities;

(h) the fees and expenses (including fees and disbursements of counsel) of the Trustee, and the costs and charges of any registrar, transfer agent, paying agent; and

(i) all other costs and expenses incident to the performance of the obligations of the Company and the Guarantor under this Agreement;

*provided, however,* that, except as provided in this Sections 4, 7 and 10, the Underwriters shall pay their own costs and expenses, including the costs and expenses of their counsel.

5. *Conditions of the Underwriters' Obligations.* The several obligations of the Underwriters hereunder are subject to the accuracy, at the Execution Time and on the Delivery Date, of the representations and warranties of the Company and the Guarantor contained herein, to the performance by each of the Company and the Guarantor of its obligations hereunder, and to each of the following additional terms and conditions:

(a) No Underwriter shall have discovered and disclosed to the Company or the Guarantor prior to or on the Delivery Date that the Disclosure Package, the Prospectus or any amendment or supplement thereto contains any untrue statement of a fact which, in the opinion of counsel to the Underwriters, is material or omits to state any fact which is material and necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or that the Registration Statement or any amendment thereto contains any untrue statement of a fact which, in the opinion of counsel to the Underwriters, is material or omits to state any fact which is material and necessary to make the statements therein not misleading.

(b) The Prospectus shall have been timely filed with the Commission in accordance with Section 3(a) of this Agreement; the final term sheet contemplated by Section 3(b) hereof, and any other material required to be filed by the Company pursuant to Rule 433(d) of the Rules and Regulations shall have been filed with the Commission within the applicable time periods prescribed for such filings by Rule 433 of the Rules and Regulations; no stop order suspending the effectiveness of the Registration Statement or any part thereof or any notice that objects to or would prevent its use shall have been issued and no proceeding for that purpose shall have been initiated or, to the knowledge of any of the parties hereto, threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with in all material respects.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of the Operative Documents and the Prospectus or any amendment or supplement thereto, and all other legal matters relating to the Operative Documents and the transactions contemplated thereby shall be satisfactory in all material respects to counsel to the Underwriters, and the Company and the Guarantor shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Willkie Farr shall have furnished to the Underwriters their written opinion, as U.S. counsel to the Company and the Guarantor, addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters, to the effect set forth in Exhibit A hereto.

(e) VanEps Kunneman VanDoorne shall have furnished to the Underwriters their written opinion, as Curaçao counsel to the Company and the Guarantor, addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters, to the effect set forth in Exhibit B hereto.

(f) Tulchinsky Stern shall have furnished to the Underwriters their written opinion, as Israeli counsel to the Guarantor, addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters, to the effect set forth in Exhibit C hereto.

(g) David M. Stark, Vice President and General Counsel of Teva North America, shall have furnished to the Underwriters his written opinion addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters, to the effect set forth in Exhibit D hereto.

(h) Cleary Gottlieb Steen & Hamilton LLP and Meitar Liguornik Geva & Leshem Brandwein shall have furnished to the Underwriters their written opinions, as U.S. and Israeli counsel, respectively, to the Underwriters, addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters.

(i) Kesselman & Kesselman shall have delivered to the Underwriters a customary “comfort letter” in form and substance satisfactory to the Underwriters and dated as of the Execution Time (the “K&K initial letter”), and the Company and the Guarantor shall have furnished to the Underwriters a letter or letters (the “K&K bring-down letter”) of such accountants, addressed to the Underwriters and dated as of the Delivery Date (i) confirming that they are the independent registered accounting firm with respect to the Guarantor within the meaning of the Securities Act and the Rules and Regulations, (ii) stating, as of the date of the K&K bring-down letter(s) (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus or the Disclosure Package, as of a date not more than five days prior to the date of the K&K bring-down letter(s)), the conclusions and findings of such firm with respect to the financial information and other matters covered by the K&K initial letter(s) and (iii) confirming in all material respects the conclusions and findings set forth in the K&K initial letter(s).

(j) The Company shall have furnished to the Underwriters on the Delivery Date a certificate, dated such Delivery Date and delivered on behalf of the Company by one of its managing or supervisory directors or a duly authorized attorney-in-fact, in form and substance satisfactory to the Underwriters, to the effect that the representations, warranties and agreements of the Company in Section 1 are true and correct as of the date given and as of such Delivery Date and the Company has complied in all material respects with all its agreements contained herein to be performed prior to or on such Delivery Date.

(k) The Guarantor shall have furnished to the Underwriters on the Delivery Date a certificate, dated such Delivery Date and delivered on behalf of the Guarantor by its chief executive officer, chief operating officer or chief financial officer, in form and substance satisfactory to the Underwriters, to the effect that:

(i) The representations, warranties and agreements of the Guarantor in Section 1 are true and correct as of the date given and as of such Delivery Date; and the Guarantor has complied in all material respects with all its agreements contained herein to be performed prior to or on such Delivery Date;

(ii) (A) Except as would not have a Material Adverse Effect, the Guarantor has not sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, except (x) as set forth or contemplated in the Prospectus or the Disclosure Package (exclusive of any amendments or supplements thereto) and (y) for operating losses incurred in the ordinary course of business, or (B) since such date there has not been any change in the capital stock or long-term debt of the Guarantor (except for issuances of shares of Ordinary Shares upon exercise of outstanding options described in the Prospectus or pursuant to Authorized Grants), except as set forth or contemplated in the Prospectus or the Disclosure Package (exclusive of any amendments or supplements thereto), or any change, or any development involving a prospective change, that would have a Material Adverse Effect; and

(iii) Such officer has carefully examined the Prospectus and the Disclosure Package and, in such officer's opinion (A) each of the Prospectus and the Disclosure Package, as of its date and the Execution Time, respectively, did not include any untrue statement of a material fact and did not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (B) since the date of the Prospectus, no event has occurred which should have been set forth in a supplement or amendment to the Prospectus.

(l) The Indenture shall have been duly executed and delivered by the Company, the Guarantor and the Trustee and the Securities shall have been duly executed and delivered by the Company and the Guarantor and duly authenticated by the Trustee.

(m) (i) The Company, at any time since its formation, and the Guarantor, since the date of the latest audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus (exclusive of any amendment or supplement thereto) shall not have sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, which, in each case, is materially adverse to the Guarantor and its subsidiaries, taken as a whole, except (A) as set forth or contemplated in each of the most recent Preliminary Prospectus and the Prospectus (exclusive of any amendment or supplement thereto) and (B) for operating losses incurred in the ordinary course of business, or (ii) (x) with respect to the Company, since the date on which it became an indirect wholly owned subsidiary of the Guarantor, and (y) with respect to the Guarantor, since the date of the most recent audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus, there shall not have been any change in such entity's respective capital stock or long-term debt (except for issuances of Ordinary Shares upon exercise of outstanding options described in each of the most recent Preliminary Prospectus and the Prospectus (exclusive of any amendment or supplement thereto) or pursuant to Authorized Grants), or any material adverse change, or any development involving a prospective material adverse change, in or affecting the financial position, stockholders' equity or results of operations of the Company or the Guarantor,

except as set forth or contemplated in each of the most recent Preliminary Prospectus and the Prospectus (exclusive of any amendment or supplement thereto), the effect of which, in any such case described in clause (i) or (ii), is, in the reasonable judgment of the Representatives, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or the delivery of the Securities being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus (exclusive of any amendment or supplement thereto) and any Issuer Free Writing Prospectus.

(n) Subsequent to the Execution Time there shall not have occurred any of the following:

(i) trading in securities generally on the New York Stock Exchange, NYSE Amex Equities, the Nasdaq Global Select Market or the over-the-counter market, or trading in any securities of the Guarantor on any exchange shall have been suspended or minimum prices shall have been established on any such exchange or market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction;

(ii) a banking moratorium shall have been declared by United States federal or New York State authorities or a material disruption shall have occurred in commercial banking or securities settlement or clearance services in the United States;

(iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States, or there shall have been a declaration of a national emergency or war by the United States;

(iv) the rating accorded the Guarantor's debt securities shall have been downgraded by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, such an organization shall have made any public announcement that it has under surveillance or review, with possible negative implications, its rating of any of the Guarantor's debt securities; or

(v) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States or Israel shall be such) as to make it, in the sole judgment of the Representatives, impracticable or inadvisable to proceed with the offering or delivery of the Securities being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(o) The Company and the Guarantor shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request to evidence compliance with the conditions set forth in this Section 5.

(p) All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel to the Underwriters.

6. *Representations, Warranties and Agreements of Underwriters.* Each Underwriter, severally and not jointly, represents, warrants to and agrees with the Company and the Guarantor that:

(a) It has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Company or the Guarantor.

(b) It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

(c) It has not and will not make an offer to the public of the Securities in any of the member states of the European Economic Area (“EEA”) (each a “Relevant Member State”), except that it may offer the Securities in any circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Securities shall result in a requirement for the publication by the Company or the Underwriters of a prospectus pursuant to Article 3(1) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. For the purposes of this provision, the expression “Prospectus Directive” means Directive 2003/71/EC, including that Directive as amended by the 2010 PD Directive to the extent implemented in the Relevant Member State in question, and includes any relevant implementing measure in the Relevant Member State in question; and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

(d) Any offers in Canada will be made only under an exemption from the requirements to file a prospectus in the relevant province of Canada in which the sale is made.

(e) Any public offers or sale of Securities in Israel may be made only in accordance with the Israeli Securities Act-1968 or under an exemption from the requirements of the Israeli Securities Act-1968.

(f) It will comply with applicable laws and regulations in each jurisdiction (including each jurisdiction in the European Economic Area that has not, as of the date of this Agreement, implemented the Prospectus Directive) in which it acquires, offers, sells or delivers

Securities, or has in its possession or distributes any Free Writing Prospectus, any Preliminary Prospectus and the Prospectus.

#### *7. Indemnification and Contribution.*

(a) The Company and the Guarantor, jointly and severally, shall indemnify and hold harmless each Underwriter, its officers and employees and each person, if any, who controls any Underwriter within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of the Securities), to which that Underwriter, officer, employee or controlling person may become subject, insofar as such loss, claim, damage, liability or action arises out of, or is based upon:

(i) any untrue statement or alleged untrue statement of a material fact contained in (A) the Prospectus, the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus or the information contained in the final term sheet required to be prepared and filed pursuant to Section 3(b) hereto, or in any amendment or supplement thereto or (B) any blue sky application or other document prepared or executed by the Company or the Guarantor (or based upon any written information furnished by the Company or the Guarantor) filed in any jurisdiction specifically for the purpose of qualifying any or all of the Securities under the securities laws of any state or other jurisdiction (such application, document or information being hereinafter called a "Blue Sky Application") or

(ii) the omission or alleged omission to state therein any material fact necessary to make the statements therein not misleading,

and shall reimburse each Underwriter and each such officer, employee and controlling person promptly upon demand for any legal or other expenses reasonably incurred by that Underwriter, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; *provided, however*, that neither the Company nor the Guarantor shall be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Prospectus, the Registration Statement, any Issuer Free Writing Prospectus or the information contained in the final term sheet required to be prepared and filed pursuant to Section 3(b) hereto, or in any such amendment or supplement, or in any Blue Sky Application in reliance upon and in conformity with the written information furnished to the Company or the Guarantor by or on behalf of any Underwriter specifically for inclusion therein and described in Section 7(e). The foregoing indemnity agreement is in addition to any liability which the Company or the Guarantor may otherwise have to any Underwriter or to any officer, employee or controlling person of that Underwriter.

(b) Each Underwriter, severally and not jointly, shall indemnify and hold harmless, each of the Company and the Guarantor, its officers and directors, and each person, if any, who controls the Company or the Guarantor within the meaning of the Securities Act from

and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or the Guarantor or their respective directors, officers or controlling persons may become subject, insofar as such loss, claim, damage, liability or action arises out of, or is based upon:

(i) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectus or the information contained in the final term sheet required to be prepared and filed pursuant to Section 3(b) hereto, or in any amendment or supplement thereto, or in any Blue Sky Application, or

(ii) the omission or alleged omission to state therein any material fact necessary to make the statements therein not misleading,

but in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with the written information furnished to the Company or the Guarantor by or on behalf of that Underwriter specifically for inclusion therein and described in Section 7(e), and shall reimburse the Company and the Guarantor and any such director, officer or controlling person promptly upon demand for any legal or other expenses reasonably incurred by the Company or the Guarantor or any such director, officer or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which any Underwriter may otherwise have to the Company, the Guarantor or any such director, officer or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the claim or the commencement of that action; *provided, however*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 7 except to the extent it has been materially prejudiced by such failure; *and, provided, further*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 7. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 7 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided, however*, that the Underwriters shall have the right to employ counsel to represent jointly the Underwriters and their respective officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Underwriters against the Company under this Section 7, if the Underwriters shall have reasonably concluded that there may be one or more legal defenses available to the Underwriters and their respective officers, employees and controlling persons that are different from or

additional to those available to the Company and the Guarantor and their respective officers, employees and controlling persons, and the reasonable fees and expenses of a single separate counsel shall be paid, jointly and severally, by the Company and the Guarantor. No indemnifying party shall:

- (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld) settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent (A) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and (B) does not include any statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party, or

- (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) If the indemnification provided for in this Section 7 shall for any reason be unavailable or insufficient to hold harmless an indemnified party under Section 7(a) or 7(b) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof:

- (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company and the Guarantor on the one hand and the Underwriters on the other from the offering of the Securities, or

- (ii) if the allocation provided by clause 7(d)(i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 7(d)(i) but also the relative fault of the Company and the Guarantor on the one hand and the Underwriters on the other with respect to the statements or omissions or alleged statements or alleged omissions that resulted in such loss, claim, damage or liability (or action in respect thereof), as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Guarantor on the one hand and the Underwriters on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities purchased under this Agreement (before deducting expenses) received by the Company on the one hand, and the total discounts and commissions received by the Underwriters with respect to the Securities purchased

under this Agreement, on the other hand, bear to the total gross proceeds from the offering of the Securities under this Agreement, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Guarantor on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Guarantor and the Underwriters agree that it would not be just and equitable if the amount of contributions pursuant to this Section 7(d) were to be determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7(d) shall be deemed to include, for purposes of this Section 7(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7(d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities resold by it in the initial placement of such Securities were offered to investors exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this Section 7(d) are several in proportion to their respective purchase obligations and not joint.

(e) The Underwriters severally confirm that the statements with respect to the delivery of the Securities set forth on the cover page of the Prospectus and the most recent Preliminary Prospectus and the third paragraph, the second and third sentences in the sixth paragraph, the seventh paragraph and the allocation table under the caption "Underwriting" in the Prospectus and the most recent Preliminary Prospectus are correct and constitute the only information furnished in writing to the Company and the Guarantor by or on behalf of the Underwriters specifically for inclusion in the most recent Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus or the information contained in the final term sheet required to be prepared and filed pursuant to Section 3(b) hereof.

#### *8. Defaulting Underwriters.*

If, on the Delivery Date, any Underwriter defaults in the performance of its obligations under this Agreement, the remaining non-defaulting Underwriters shall be obligated to purchase the aggregate principal amount of such series of Securities which the defaulting Underwriter agreed but failed to purchase on such Delivery Date in the respective proportions which the total aggregate principal amount of such series of Securities set opposite the name of each remaining non-defaulting Underwriter in Schedule I hereto bears to the total aggregate principal amount of such series of Securities set opposite the names of all the remaining non-defaulting Underwriters in Schedule I hereto; *provided, however*, that the remaining non-defaulting Underwriters shall not be obligated to purchase any such series of Securities on such Delivery Date if the total aggregate principal amount of such series of Securities which the

defaulting Underwriters agreed but failed to purchase on such date exceeds 9.09% of the total aggregate principal amount of such series of Securities to be purchased on such Delivery Date, and any remaining non-defaulting Underwriter shall not be obligated to purchase more than 110% of the aggregate principal amount of any series of Securities which it agreed to purchase on such Delivery Date pursuant to the terms of Section 2. If the foregoing maximums are exceeded, the remaining non-defaulting Underwriters, or those other purchasers satisfactory to the Underwriters who so agree, shall have the right, but shall not be obligated, to purchase on such Delivery Date, in such proportion as may be agreed upon among them, the total aggregate principal amount of any series of Securities to be purchased on such Delivery Date. If the remaining Underwriters or other purchasers satisfactory to the Underwriters do not elect to purchase on such Delivery Date the aggregate principal amount of the series of Securities which the defaulting Underwriters agreed but failed to purchase, this Agreement shall terminate without liability on the part of any non-defaulting Underwriters and the Company and the Guarantor, except that the Company and the Guarantor will continue to be liable for the payment of expenses to the extent set forth in Sections 4 and 9. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context requires otherwise, any party not listed in Schedule I hereto who, pursuant to this Section 8, purchases any series of Securities which a defaulting Underwriter agreed but failed to purchase.

Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company for damages caused by its default. If other purchasers are obligated or agree to purchase the Securities of a defaulting or withdrawing Underwriter, either the remaining non-defaulting Underwriters or the Company may postpone the Delivery Date for up to seven full business days in order to effect any changes in the Prospectus or in any other document or arrangement that, in the opinion of counsel to the Company and the Guarantor or counsel to the Underwriters, may be necessary.

9. *Termination.* The obligations of the Underwriters hereunder may be terminated by the Representatives by notice given to and received by the Company prior to delivery of and payment for the Securities if, prior to that time, any of the events described in Sections 5(m) and (n) shall have occurred or if the Underwriters shall decline to purchase the Securities for any reason permitted under this Agreement.

10. *Reimbursement of Underwriters' Expenses.* If (a) the Company and the Guarantor shall fail to tender the Securities for delivery to the Underwriters for any reason permitted under this Agreement or (b) the Underwriters shall decline to purchase the Securities because of any failure or refusal on the part of the Company or the Guarantor to comply with the terms or to fulfill any of the conditions of this Agreement or if the Company or the Guarantor shall be unable to perform its obligations under this Agreement, the Company and the Guarantor, jointly and severally, shall reimburse the Underwriters for the fees and expenses of their counsel and for such other out-of-pocket expenses as shall have been incurred by them in connection with this Agreement and the proposed purchase of the Securities, and upon demand the Company shall pay the full amount thereof to the Underwriters. If this Agreement is terminated pursuant to Section 8 by reason of the default of one or more Underwriters, the Company shall not be obligated to reimburse any defaulting Underwriter on account of those expenses.

11. *Notices, etc.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriters or the Representatives, shall be delivered or sent by mail to Barclays Capital Inc., 745 Seventh Avenue, New York, NY 1019, Attention: Syndicate Registration (Fax: (646) 834-8133); Goldman, Sachs & Co., 200 West Street New York, NY 10282-2198, Attention: Registration Department; Morgan Stanley & Co. Incorporated, 1585 Broadway, New York, New York 10036, Attention: Equity Capital Markets Syndicate Desk;

(b) if to the Guarantor, shall be delivered or sent by mail, telex or facsimile transmission to Teva Pharmaceutical Industries Limited, 5 Basel Street, P.O. Box 3190, Petach Tikva 49131, Israel, Attention: Richard S. Egosi (Fax: 972-3-914-8708), with copies to: (i) Teva Pharmaceutical Industries Limited, 5 Basel Street, P.O. Box 3190, Petach Tikva 49131, Israel, Attention: Eyal Desheh; and (ii) Willkie Farr & Gallagher LLP, 787 7th Avenue, New York, New York 10019, Attention: Jeffrey S. Hochman (Fax: (212) 728-9592); and

(c) if to the Company, shall be delivered or sent by mail, telex, or facsimile transmission to Teva Pharmaceutical Finance III B.V., c/o Teva Pharmaceuticals USA, Inc., 1090 Horsham Road, North Wales, Pennsylvania 19454, Attention: David M. Stark (Fax: (215) 293-6499) with a copy to Schottegatweg Oost 29D, Curaçao, Attention: George Bergmann (Fax 599 9736 7066), with a copy to Willkie Farr & Gallagher LLP, 787 7<sup>th</sup> Avenue, New York, New York 10019, Attention: Jeffrey S. Hochman (Fax: (212) 728-9592);

*provided, however*, that any notice to an Underwriter pursuant to Section 7(c) shall be delivered or sent by mail, telex or facsimile transmission to each such Underwriter, which address will be supplied to any other party hereto by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company and the Guarantor shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Underwriters by the Representatives.

12. *Persons Entitled to Benefit of Agreement.* This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company, the Guarantor and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that the representations, warranties, indemnities and agreements of the Company and the Guarantor contained in this Agreement shall also be deemed to be for the benefit of the officers and employees of each Underwriter and the person or persons, if any, who control each Underwriter within the meaning of Section 15 of the Securities Act and any indemnity agreement of the Underwriters contained in Section 7(b) of this Agreement shall be deemed to be for the benefit of directors, officers and employees of the Company and the Guarantor, and any person controlling the Company or the Guarantor within the meaning of Section 15 of the Securities Act. Nothing contained in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 12, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

13. *Survival.* The respective indemnities, representations, warranties and agreements of the Company, the Guarantor and the Underwriters contained in this Agreement or

made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any of them or any person controlling any of them.

14. *No Fiduciary Duty.* The Company and the Guarantor hereby acknowledge that (a) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company and the Guarantor, on the one hand, and the Underwriters and any affiliate through which they may be acting, on the other, (b) the Underwriters are acting as principal and not as an agent or fiduciary of the Company and the Guarantor and (c) the engagement of the Underwriters by the Company and the Guarantor in connection with the offering and the process leading up to the offering is as independent contractors and not in any other capacity. Furthermore, each of the Company and the Guarantor agrees that it is solely responsible for making its own judgments in connection with the offering (irrespective of whether any of the Underwriters has advised or is currently advising the Company or the Guarantor on related or other matters). Each of the Company and the Guarantor agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company and the Guarantor, in connection with such transaction or the process leading thereto.

15. *Jurisdiction.* Each of the Company and the Guarantor agrees that any suit, action or proceeding against the Company or the Guarantor brought by any Underwriter, the directors, officers, employees and agents of any Underwriter, or by any person who controls any Underwriter, arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in any State or Federal court in The City of New York, New York, and waives any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any suit, action or proceeding. Each of the Company and the Guarantor has appointed Teva Pharmaceuticals USA, Inc. ("Teva USA") as its authorized agent (the "Authorized Agent") upon whom process may be served in any suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated herein which may be instituted in any State or Federal court in The City of New York, New York, by any Underwriter, the directors, officers, employees and agents of any Underwriter, or by any person who controls any Underwriter, and expressly accepts the non-exclusive jurisdiction of any such court in respect of any such suit, action or proceeding. Each of the Company and the Guarantor hereby represents and warrants that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and each of the Company and the Guarantor agrees to take any and all action, including the filing of any and all documents that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Company or the Guarantor, as applicable. Notwithstanding the foregoing, any action arising out of or based upon this Agreement may be instituted by any Underwriter, the directors, officers, employees and agents of any Underwriter, or by any person who controls any Underwriter, in any court of competent jurisdiction in Israel. The Company, the Guarantor and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

16. *Applicable Law.* This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

17. *Currency.* Each reference in this Agreement to U.S. dollars (the “relevant currency”) is of the essence. To the fullest extent permitted by law, the obligation of the Company and the Guarantor in respect of any amount due under this Agreement will, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the relevant currency that the party entitled to receive such payment may, in accordance with its normal procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the Business Day immediately following the day on which such party receives such payment. If the amount in the relevant currency that may be so purchased for any reason falls short of the amount originally due, the Company and the Guarantor will pay such additional amounts, in the relevant currency, as may be necessary to compensate for the shortfall. Any obligation of the Company or the Guarantor not discharged by such payment will, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided herein, will continue in full force and effect.

18. *Waiver of Immunity.* To the extent that the Company or the Guarantor has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, each of the Company and the Guarantor hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under this Agreement.

19. *Definitions.* The terms which follow, as used in this Agreement, have the meanings indicated:

“Base Prospectus” means the prospectus contained in the Registration Statement at the Effective Time, including any preliminary prospectus.

“Business Day” means any day on which the New York Stock Exchange, Inc. is open for trading.

“Disclosure Package” shall mean (i) the Base Prospectus, as amended and supplemented to the Execution Time, (ii) the Issuer Free Writing Prospectuses, if any, identified in Schedule II hereto, and (iii) any other Free Writing Prospectus that the parties hereto shall hereafter expressly agree in writing to treat as part of the Disclosure Package other than a road show that is an Issuer Free Writing Prospectus under Rule 433 of the Rules and Regulations.

“Effective Time” means each date and time that the Registration Statement and any post-effective amendment or amendments thereto became or become effective.

“Execution Time” means 4:00 P.M. on March 16, 2011.

“Free Writing Prospectus” shall mean a free writing prospectus, as defined in Rule 405 of the Rules and Regulations.

“Incorporated Documents” means documents that are incorporated into any of the Registration Statement, Prospectus or Preliminary Prospectus by reference.

“Issuer Free Writing Prospectus” shall mean an issuer free writing prospectus, as defined in Rule 433 of the Rules and Regulations.

“Ordinary Shares” shall mean fully paid, nonassessable ordinary shares of the Guarantor, par value NIS 0.10 per share, or American Depository Shares representing such ordinary shares.

“Preliminary Prospectus” shall mean any preliminary prospectus supplement to the Base Prospectus which describes the Securities and the offering thereof and is used prior to filing of the final Prospectus, together with the Base Prospectus and any Incorporated Documents with respect thereto.

“Prospectus” means the prospectus and prospectus supplement first filed after the Execution Time with the Commission by the Company and the Guarantor with the consent of the Representatives pursuant to Rule 424(b) of the Rules and Regulations relating to the Securities.

“Prospectus Supplement” means the prospectus supplement first filed after the Execution Time with the Commission by the Company and the Guarantor pursuant to Rule 424(b) of the Rules and Regulations relating to the Securities.

“Registration Statement” means the Registration Statement of the Company and the Guarantor filed with the Commission on Form F-3 (File No. 333-155927), including any prospectus supplement relating to the Securities that is filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations and deemed part of such registration statement pursuant to Rule 430B of the Rules and Regulations, exhibits other than Forms T-1 and financial statements, as amended at the Execution Time and, in the event any post-effective amendment thereto becomes effective prior to the Delivery Date, means also such registration statement as so amended.

“subsidiary” has the meaning set forth in Rule 405 of the Rules and Regulations.

20. *Counterparts.* This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

21. *Headings.* The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement between the Company, the Guarantor and the Underwriters, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

By /s/ Eyal Desheh

*Name:* Eyal Desheh

*Title:* Chief Financial Officer

By /s/ Eran Ezra

*Name:* Eran Ezra

*Title:* Treasurer

TEVA PHARMACEUTICAL FINANCE III B.V.

By /s/ George Bergmann

*Name:* George Bergmann

*Title:* Managing Director

By /s/ Edgard Lotman

*Name:* Edgard Lotman

*Title:* Supervisory Director

BARCLAYS CAPITAL INC.  
GOLDMAN, SACHS & CO.  
MORGAN STANLEY & CO. INCORPORATED

By: BARCLAYS CAPITAL INC.

By: /s/ Pamela Kendall  
*Name:* Pamela Kendall  
*Title:* Director

By: GOLDMAN, SACHS & CO.

By: /s/ Goldman, Sachs & Co.  
*Name:*  
*Title:*

By: MORGAN STANLEY & CO. INCORPORATED

By: /s/ Yuriy Slyz  
*Name:* Yuriy Slyz  
*Title:* Executive Director

For themselves and the other  
several Underwriters, if any,  
named in Schedule I to the  
foregoing Agreement.

# SCHEDULE I

| <u>Underwriters</u>                | <u>Principal Amount<br/>of Fixed Rate Notes</u> | <u>Principal Amount<br/>of Floating Rate Notes</u> |
|------------------------------------|-------------------------------------------------|----------------------------------------------------|
| Barclays Capital Inc.              | \$ 65,500,000                                   | \$ 131,000,000                                     |
| Goldman, Sachs & Co.               | 65,500,000                                      | 131,000,000                                        |
| Morgan Stanley & Co. Incorporated  | 65,500,000                                      | 131,000,000                                        |
| BNP Paribas Securities Corp.       | 13,400,000                                      | 26,800,000                                         |
| Citigroup Global Markets Inc.      | 13,400,000                                      | 26,800,000                                         |
| HSBC Securities (USA) Inc.         | 13,400,000                                      | 26,800,000                                         |
| Credit Suisse Securities (USA) LLC | 6,650,000                                       | 13,300,000                                         |
| J.P. Morgan Securities LLC         | 6,650,000                                       | 13,300,000                                         |
| Total                              | \$ 250,000,000                                  | \$ 500,000,000                                     |

## SCHEDULE II

None.

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TEVA PHARMACEUTICAL FINANCE III B.V.,

as Issuer

TEVA PHARMACEUTICAL INDUSTRIES LIMITED,

as Guarantor

and

THE BANK OF NEW YORK MELLON, as Trustee

SENIOR INDENTURE

Dated as of March 21, 2011

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THIS INDENTURE, dated as of March 21, 2011 among Teva Pharmaceutical Finance III B.V., a Curaçao private limited liability company (the “Issuer”), Teva Pharmaceutical Industries Limited, a corporation incorporated under the laws of Israel (the “Guarantor”), and The Bank of New York Mellon, a New York banking corporation (the “Trustee”),

W I T N E S S E T H :

WHEREAS, the Issuer has duly authorized the issue from time to time of its unsecured debentures, notes or other evidences of indebtedness to be issued in one or more series (the “Securities”) up to such principal amount or amounts as may from time to time be authorized in accordance with the terms of this Indenture;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture to provide, among other things, for the authentication, delivery and administration of the Securities;

WHEREAS, for value received, the Guarantor has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Guarantee provided for herein. All things necessary to make this Indenture a valid agreement of the Guarantor, in accordance with its terms, have been done; and

WHEREAS, all things necessary to make this Indenture a valid indenture and agreement according to its terms have been done;

NOW, THEREFORE:

In consideration of the premises and the purchases of the Securities by the holders thereof, the Issuer, the Guarantor and the Trustee mutually covenant and agree for the equal and proportionate benefit of the respective holders from time to time of the Securities as follows:

ARTICLE 1

DEFINITIONS

Section 1.01. Certain Terms Defined. The following terms (except as otherwise expressly provided herein or in any indenture supplemental hereto, or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section. All other terms used in this Indenture that are defined in the Trust Indenture Act of 1939 or the definitions of which in the Securities Act of 1933 are referred to in the Trust Indenture Act of 1939, including terms defined therein by reference to the Securities Act of 1933 (except as herein otherwise expressly provided or unless the context otherwise clearly requires), shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of this Indenture. All accounting terms used herein and not expressly defined shall have the meanings assigned to such terms in accordance with generally accepted accounting principles, and the term “generally accepted accounting principles” means such accounting principles as are generally accepted at the time of any computation. The words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

“Authorized Agent” shall have the meaning set forth in Section 10.12.

“Bearer Security” means any Security other than a Registered Security.

“Board” means the board of directors or the board of managing directors or supervisory directors of the Issuer, or any other body or Person authorized by the organizational documents or by the members of the Issuer to act for it.

“Board Resolution” means one or more resolutions, certified by the secretary of the Board to have been duly adopted or consented to by the Board and to be in full force and effect, and delivered to the Trustee.

“Business Day” means, with respect to any Security, a day that in the city (or in any of the cities, if more than one) in which amounts are payable, as specified in the form of such Security, is not a day on which banking institutions are authorized by law or regulation to close.

“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 and delivery of this Indenture 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.

“Corporate Trust Office” means the office of the Trustee located in The City of New York at which at any particular time its corporate trust business shall be administered (which at the date of this Indenture is located at 101 Barclay Street, 4th Floor East, New York, New York 10286), Attention: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Issuer).

“Depository” means, with respect to the Securities of any series issuable or issued in the form of one or more Registered Global Securities, the Person designated as Depository by the Issuer pursuant to Section 2.03 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Depository” shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, “Depository” as used with respect to the Securities of any such series shall mean the Depository with respect to the Registered Global Securities of that series.

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

“Event of Default” means any event or condition specified as such in Section 4.01.

“Guarantee” means the unconditional guarantee of the payment of the principal of, any premium or interest on, and any additional amounts with respect to the Securities by the Guarantor, as more fully set forth in Article 12.

“Guarantor” means the Person named as the “Guarantor” 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 “Guarantor” shall mean such successor Person.

“Guarantor’s Board of Directors” means the Board of Directors of the Guarantor or any committee of such Board duly authorized to act hereunder.

“Guarantor’s Officers’ Certificate” means a certificate (i) signed by any two officers of the Guarantor duly authorized to execute any such certificate and (ii) delivered to the Trustee. Each such certificate shall comply with the requirements of Section 314 of the Trust Indenture Act of 1939.

“Holder”, “Holder of Securities”, “Securityholder” or other similar terms mean the registered holder of any Security.

“Indenture” means this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented or both, and shall include the forms and terms of particular series of Securities established as contemplated hereunder.

“Interest” means, when used with respect to non-interest bearing Securities, interest payable after maturity.

“Issuer” means (except as otherwise provided in Article 8) Teva Pharmaceutical Finance III B.V., a Curaçao private limited liability company, and, subject to Article 8, its successors and assigns.

“Judgment Currency” shall have the meaning set forth in Section 10.13.

“New York Banking Day” shall have the meaning set forth in Section 10.13.

“Non-U.S. Currency” means a currency issued by the government of a country other than the United States (or any currency unit comprised of any such currencies).

“Officers’ Certificate” means a certificate (i) signed by any two officers of the Issuer (which may include any managing director or supervisory director) authorized by the Board to execute any such certificate and (ii) delivered to the Trustee. Each such certificate shall comply with Section 314 of the Trust Indenture Act of 1939.

“Opinion of Counsel” means an opinion in writing signed by legal counsel to the Issuer or the Guarantor who may be an employee of or counsel to the Issuer or the Guarantor and who shall be reasonably satisfactory to the Trustee. Each such opinion shall comply with Section 314 of the Trust Indenture Act of 1939 and include the statements provided for in Section 10.05, if and to the extent required hereby.

“Original Issue Date” of any Security (or portion thereof) means the earlier of (a) the date of such Security or (b) the date of any Security (or portion thereof) for which such Security was issued (directly or indirectly) on registration of transfer, exchange or substitution.

“Original Issue Discount Security” means any Security that 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 4.01.

“Outstanding”, when used with reference to Securities, shall, subject to the provisions of Section 6.04, mean, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except:

(a) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Issuer or the Guarantor) or shall have been set aside, segregated and held in trust by the Issuer or the Guarantor for the holders of such Securities (if the Issuer shall act as its own, or authorize the Guarantor to act as, paying agent), provided that if such Securities, or portions thereof, are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as herein provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and

(c) Securities in substitution for which other Securities shall have been authenticated and delivered, or which shall have been paid, pursuant to the terms of Section 2.09 (except with respect to any such Security as to which proof satisfactory to the Trustee is presented that such Security is held by a person in whose hands such Security is a legal, valid and binding obligation of the Issuer).

In determining whether the holders of the requisite principal amount of Outstanding Securities of any or all series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the maturity thereof pursuant to Section 4.01.

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

“Principal” whenever used with reference to the Securities or any Security or any portion thereof, shall be deemed to include “and premium, if any”.

“Registered Global Security” means a Security evidencing all or a part of a series of Registered Securities, issued to the Depository for such series in accordance with Section 2.03, and bearing the legend prescribed by the applicable supplemental indenture.

“Registered Security” means any Security registered on the Security register of the Issuer.

“Required Currency” shall have the meaning set forth in Section 10.13.

“Responsible Officer”, when used with respect to the Trustee, means any officer of the Trustee, including any vice president, assistant vice president, secretary, assistant secretary, any assistant treasurer, any trust officer, any senior associate or any other officer of the 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 such officer’s knowledge of and familiarity with that particular subject and who shall have direct responsibility for the administration of this Indenture.

“Security” or “Securities” has the meaning stated in the first recital of this Indenture, or, as the case may be, Securities that have been authenticated and delivered under this Indenture.

“Trustee” means the Person identified as “Trustee” in the first paragraph hereof and, subject to the provisions of Article 5, shall also include any successor trustee.

“Trust Indenture Act of 1939” (except as otherwise provided in Sections 7.01 and 7.02) means the Trust Indenture Act of 1939 as in force at the date as of which this Indenture was originally executed.

“U.S. Government Obligations” shall have the meaning set forth in Section 9.01.

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

“Yield to Maturity” means the yield to maturity on a series of securities, calculated at the time of issuance of such series, or, if applicable, at the most recent redetermination of interest on such series, and calculated in accordance with accepted financial practice.

## ARTICLE 2

### SECURITIES

Section 2.01. Forms Generally. The Securities of each series shall be substantially in such form (not inconsistent with this Indenture) as shall be established by or pursuant to a resolution of the Board 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 imprinted or otherwise reproduced thereon such legend or legends, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto, or with any rules of any securities exchange or to conform to general usage, all as may be determined by the officers executing such Securities, as evidenced by their execution of the Securities.

The definitive Securities shall be printed or lithographed on security printed paper or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Section 2.02. Form of Trustee’s Certification of Authentication. The Trustee’s certificate of authentication on all Securities shall be in substantially the following form:

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

The Bank of New York Mellon  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Section 2.03. Amount Unlimited; Issuable in Series. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series and unless provided for otherwise in an indenture supplemental hereto, each such series shall rank equally and *pari passu* with all other unsecured and unsubordinated debt of the Issuer. There shall be established in or pursuant to a resolution of the Board and set forth in an Officers’ Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

(a) the designation of the Securities of the series (which shall distinguish the Securities of the series from all other Securities);

(b) any limit upon the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 2.08, 2.09, 2.11 or 11.03);

(c) if other than Dollars, the coin or currency in which the Securities of that series are denominated (including, but not limited to, any Non-U.S. Currency);

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

(e) the rate or rates at which the Securities of the series shall bear interest, if any, or the method by which such rate shall be determined, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable and the record dates for the determination of Holders to whom interest is payable and/or the method by which such rate or rates or date or dates shall be determined;

(f) the place or places where the principal of and any interest on Securities of the series shall be payable (if other than as provided in Section 3.02);

(g) the price or prices at which, the period or periods within which and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Issuer, pursuant to any sinking fund or otherwise;

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

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

(j) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 4.01 or provable in bankruptcy pursuant to Section 4.02;

(k) if other than the coin or currency in which the Securities of that series are denominated, the coin or currency in which payment of the principal of or interest on the Securities of such series shall be payable;

(l) if the principal of or interest on the Securities of such series are to be payable, at the election of the Issuer or a Holder thereof, in a coin or currency other than that in which the Securities are denominated, the period or periods within which, and the terms and conditions upon which, such election may be made;

(m) if the amount of payments of principal of and interest on the Securities of the series may be determined with reference to an index based on a coin or currency other than that in which the Securities of the series are denominated, or with reference to any currencies, securities or baskets of securities, commodities or indices, the manner in which such amounts shall be determined;

(n) if the Holders of the Securities of the series may convert or exchange the Securities of the series into or for securities of the Issuer or of other entities or other property (or the cash value thereof), the specific terms of and period during which such conversion or exchange may be made;

(o) whether the Securities of the series will be issuable as Registered Securities (and if so, whether such Securities will be issuable as Registered Global Securities) or Bearer Securities (with or without coupons), or any combination of the foregoing, any restrictions applicable to the offer, sale, transfer, exchange or delivery of Bearer Securities or Registered Securities or the payment of interest thereon and, if other than as provided herein, the terms upon which Bearer Securities of any series may be exchanged for Registered Securities of such series and vice versa;

(p) whether and under what circumstances the Issuer will pay additional amounts on the Securities of the series held by a Person who is not a U.S. Person in respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether the Issuer will have the option to redeem such Securities rather than pay such additional amounts;

(q) if the Securities of such series are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, the form and terms of such certificates, documents or conditions;

(r) any trustees, depositaries, authenticating or paying agents, transfer agents or registrars or any other agents with respect to the Securities of such series;

(s) any applicable United States federal income tax and Israel income tax provisions, including, but not limited to: whether and under what circumstances the Issuer will pay additional amounts on Securities for any tax, assessment or governmental charge withheld or deducted and, if so, whether it will have the option to redeem those Securities rather than pay the additional amounts; tax considerations applicable to any discounted Securities or to Securities issued at par that are treated as having been issued at a discount for United States federal income tax purposes; and tax considerations applicable to any Securities denominated and payable in foreign currencies;

(t) whether certain payments on the Securities will be guaranteed under a financial insurance guaranty policy and the terms of that guaranty;

(u) any applicable selling restrictions;

(v) any other events of default, modifications or elimination of any acceleration rights, or covenants with respect to the Securities of such series and any terms required by or advisable under applicable laws or regulations, including laws and regulations relating attributes required for the Securities to be afforded certain capital treatment for bank regulatory or other purposes; and

(w) any other terms of the series.

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to such resolution of the Board or in any such indenture supplemental hereto. All Securities of any one series need not be issued at the same time and may be issued from time to time, consistent with the terms of this Indenture, if so provided by or pursuant to such Board Resolution or in any such indenture supplemental hereto.

Section 2.04. Authentication and Delivery of Securities. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Securities of any series executed by the Issuer to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver such Securities to or upon the written order of the Issuer, signed by any two officers of the Issuer authorized by the Board to execute any such order, without any further action by the Issuer. In authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities the Trustee shall be entitled to receive, and (subject to Section 5.01) shall be fully protected in relying upon:

(a) a certified copy of any resolution or resolutions of the Board authorizing the action taken pursuant to the resolution or resolutions delivered under clause 2.04(b) below;

(b) a copy of any resolution or resolutions of the Board relating to such series, in each case certified by the Secretary or an Assistant Secretary of the Issuer;

(c) an executed supplemental indenture, if any;

(d) an Officers' Certificate setting forth the form and terms of the Securities as required pursuant to Sections 2.01 and 2.03, respectively and prepared in accordance with Section 10.05;

(e) an Opinion of Counsel, prepared in accordance with Section 10.05,

(i) to the effect that the form or forms and terms of such Securities have been established by or pursuant to a resolution of the Board or by a supplemental indenture as permitted by Sections 2.01 and 2.03 in conformity with the provisions of this Indenture;

(ii) to the effect that such Securities, when authenticated and delivered by the Trustee and issued by the Issuer in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and binding obligations of the Issuer; and

(iii) covering such other matters as the Trustee may reasonably request.

The Trustee shall have the right to decline to authenticate and deliver any Securities under this Section if the Trustee, being advised by counsel, determines that such action may not lawfully be taken by the Issuer or if the Trustee in good faith shall determine that such action would expose the Trustee to personal liability to existing Holders.

Section 2.05. Execution of Securities. The Securities shall be signed on behalf of the Issuer by any two officers of the Issuer authorized by the Board to execute such Securities, which Securities may, but need not, be attested. Such signatures may be the manual or facsimile signatures of the present or any future such officers. Typographical and other minor errors or defects in any such signature shall not affect the validity or enforceability of any Security that has been duly authenticated and delivered by the Trustee.

In case any officer of the Issuer who shall have signed any of the Securities shall cease to be such officer before the Security so signed shall be authenticated and delivered by the Trustee or disposed of by the Issuer, such Security nevertheless may be authenticated and delivered or disposed of as though the person who signed such Security had not ceased to be such officer of the Issuer; and any

Security may be signed on behalf of the Issuer by such persons as, at the actual date of the execution of such Security, shall be the proper officers of the Issuer, although at the date of the execution and delivery of this Indenture any such person was not such an officer.

Section 2.06. Certificate of Authorization. Only such Securities as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee by the manual signature of one of its authorized officers, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Security executed by the Issuer shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

Section 2.07. Denomination and Date of Securities; Payments of Interest. The Securities shall be issuable as registered securities without coupons and in denominations as shall be specified as contemplated by Section 2.03. In the absence of any such specification with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any multiple thereof. The Securities shall be numbered, lettered, or otherwise distinguished in such manner or in accordance with such plan as the officers of the Issuer executing the same may determine with the approval of the Trustee as evidenced by the execution and authentication thereof.

Each Security shall be dated the date of its authentication, shall bear interest, if any, from the date and shall be payable on the dates, in each case, which shall be specified as contemplated by Section 2.03.

The person in whose name any Security of any series is registered at the close of business on any record date applicable to a particular series with respect to any interest payment date for such series shall be entitled to receive the interest, if any, payable on such interest payment date notwithstanding any transfer or exchange of such Security subsequent to the record date and prior to such interest payment date, except if and to the extent the Issuer and the Guarantor shall default in the payment of the interest due on such interest payment date for such series, in which case such defaulted interest shall be paid to the persons in whose names Outstanding Securities for such series are registered at the close of business on a subsequent record date (which shall be not less than five Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Issuer or the Guarantor to the holders of Securities not less than 15 days preceding such subsequent record date. The term "record date" as used with respect to any interest payment date (except a date for payment of defaulted interest) shall mean the date specified as such in the terms of the Securities of any particular series, or, if no such date is so specified, if such interest payment date is the first day of a calendar month, the 15th day of the next preceding calendar month or, if such interest payment date is the 15th day of a calendar month, the first day of such calendar month, in either case whether or not such record date is a Business Day.

Section 2.08. Registration, Transfer and Exchange. The Issuer will keep or cause to be kept at each office or agency to be maintained for the purpose as provided in Section 3.02 a register or registers in which, subject to such reasonable regulations as it may prescribe, it will register, and will register the transfer of, Securities as in this Article provided. Such register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time. At all reasonable times such register or registers shall be open for inspection by the Trustee.

Upon due presentation for registration of transfer of any Security of any series at any such office or agency to be maintained for the purpose as provided in Section 3.02, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities of the same series in authorized denominations for a like aggregate principal amount.

Any Security or Securities of any series may be exchanged for a Security or Securities of the same series in other authorized denominations, in an equal aggregate principal amount. Securities of any series to be exchanged shall be surrendered at any office or agency to be maintained by the Issuer for the purpose as provided in Section 3.02, and the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor the Security or Securities of the same series which the Securityholder making the exchange shall be entitled to receive, bearing numbers not contemporaneously outstanding.

All Securities presented for registration of transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the holder or his attorney duly authorized in writing.

The Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of Securities. No service charge shall be made for any such transaction.

The Issuer shall not be required to exchange or register a transfer of (a) any Securities of any series for a period of 15 days next preceding the first mailing of notice of redemption of Securities of such series to be redeemed, (b) any Securities selected, called or being called for redemption except, in the case of any Security where notice has been given that such Security is to be redeemed in part, the portion thereof not so to be redeemed, or (c) any Securities of any series between a record date and the next succeeding payment date.

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

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between or among Depositary Participants or beneficial owners of interests in any Registered Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Neither the Trustee nor any agent shall have any responsibility for any actions taken or not taken by the Depositary.

Section 2.09. Mutilated, Defaced, Destroyed, Lost and Stolen Securities. In case any temporary or definitive Security shall become mutilated, defaced or be destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver, a new Security of the same series, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Security, or in lieu of and substitution for the Security so destroyed, lost or stolen. In every case the applicant for a substitute Security shall furnish to the Issuer, the Guarantor and the Trustee and any agent of the Issuer, the Guarantor or the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof in the case of mutilation or defacement shall surrender the Security to the Trustee or such agent.

Upon the issuance of any substitute Security, the Issuer 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 or its agent) connected therewith. In case any Security which has matured or is about to mature or has been called for redemption in full shall become mutilated or defaced or be destroyed, lost or stolen, the Issuer may instead of issuing a substitute Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced Security), if the applicant for such payment shall furnish to the Issuer, the Guarantor and the Trustee and any agent of the Issuer, the Guarantor or the Trustee such security or indemnity as any of them may require to save each of them harmless, and, in every case of destruction, loss or theft. The applicant shall also furnish to the Issuer, the Guarantor and the Trustee and any agent of the Issuer, the Guarantor or the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

Every substitute Security of any series issued pursuant to the provisions of this section by virtue of the fact that any such Security is destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer and the Guarantor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Securities of such series duly authenticated and delivered hereunder. All Securities shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, defaced or destroyed, lost or stolen Securities and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.10. Cancellation of Securities. All Securities surrendered for payment, redemption, registration of transfer or exchange, or for credit against any payment in respect of a sinking or analogous fund, if surrendered to the Issuer or any agent of the Issuer or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it; and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of cancelled Securities held by it in accordance with its procedures for the disposition of cancelled Securities and deliver a certificate of disposition to the Issuer upon request. If the Issuer shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are delivered to the Trustee for cancellation.

Section 2.11. Temporary Securities. Pending the preparation of definitive Securities for any series, the Issuer may execute and the Trustee shall authenticate and deliver temporary Securities for such series (printed, lithographed, typewritten or otherwise reproduced, in each case in form satisfactory to the Trustee). Temporary Securities of any series shall be issuable as registered Securities without coupons, of any authorized denomination, and substantially in the form of the definitive Securities of such series but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Issuer with the concurrence of the Trustee. Temporary Securities may contain such reference to any provisions of this Indenture as may be appropriate. Every temporary Security shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. Without unreasonable delay the Issuer shall execute and shall furnish definitive Securities of such series and thereupon temporary Securities of such series may be surrendered in

exchange therefor without charge at each office or agency to be maintained by the Issuer for that purpose pursuant to Section 3.02, and the Trustee shall authenticate and deliver in exchange for such temporary Securities of such series a like aggregate principal amount of definitive Securities of the same series of authorized denominations. Until so exchanged, the temporary Securities of any series shall be entitled to the same benefits under this Indenture as definitive Securities of such series unless otherwise established pursuant to Section 2.03.

Section 2.12. CUSIP Numbers. The Issuer in issuing the Securities may use “CUSIP” numbers (if then generally in use), and, if so, the Trustee shall use “CUSIP” numbers in notices of redemption and other notices to the Holders 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 Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any change in the “CUSIP” numbers.

Section 2.13. Registered Global Securities. None of the Issuer, the Guarantor, the Trustee or any Agent shall have any responsibility or obligation to any beneficial owner of an interest in a Registered Global Security, any members of, or a participant in, the Depositary (“Agent Members”) or other Person with respect to the accuracy of the records of the Depositary or its nominee or any participant or Agent Member thereof, with respect to any ownership interest in a Registered Global Security or with respect to the delivery to any participant, Agent Member, beneficial owner or other Person (other than the Depositary) of any notice or the payment of any amount or delivery of any Registered Global Security (or other security or property) under or with respect to such Registered Global Securities. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Registered Global Securities shall be given or made only to or upon the order of the registered Holders. The rights of beneficial owners in any Registered Global Security shall be exercised only through the Depositary subject to the applicable rules and procedures of the Depositary. The Issuer, the Guarantor, the Trustee and each Agent may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its Agent Members, participants and any beneficial owners.

### ARTICLE 3

#### COVENANTS OF THE ISSUER, THE GUARANTOR AND THE TRUSTEE

Section 3.01. Payment of Principal and Interest. The Issuer covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay or cause to be paid the principal of, and interest on, each of the Securities of such series (together with any additional amounts payable pursuant to the terms of such Securities) at the place or places, at the respective times and in the manner provided in such Securities. Subject to any other provisions that may be established pursuant to Section 2.03, the interest on Securities (together with any additional amounts payable pursuant to the terms of such Securities) shall be payable only to or upon the written order of the Holders thereof and, at the option of the Issuer, may be paid by wire transfer or by mailing checks for such interest payable to or upon the written order of such Holders at their last addresses as they appear on the registry books of the Issuer.

Whenever in this Indenture there is mentioned, in any context, the payment of the principal of or any premium, interest or any other amounts on, or in respect of, any Security of any series or the net proceeds received on the sale or exchange of any Security of any series, such mention shall be deemed to include mention of the payment of additional amounts provided by the terms of such series

established hereby or pursuant hereto to the extent that, in such context, additional amounts are, were or would be payable in respect thereof pursuant to such terms, and express mention of the payment of additional amounts (if applicable) in any provision hereof shall not be construed as excluding the payment of additional amounts in those provisions hereof where such express mention is not made.

Section 3.02. Offices for Payments, etc. So long as any of the Securities remain outstanding, the Issuer will maintain in the Borough of Manhattan, The City of New York, the following for each series: an office or agency (a) where the Securities may be presented for payment, (b) where the Securities may be presented for registration of transfer and for exchange as in this Indenture or any supplemental indenture provided and (c) where notices and demands to or upon the Issuer in respect of the Securities or of this Indenture may be served. The Issuer will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. Unless otherwise specified in accordance with Section 2.03, the Issuer hereby initially designates the Corporate Trust Office of the Trustee, as the office to be maintained by it for each such purpose. In case the Issuer shall fail to so designate or maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

The Issuer may from time to time designate one or more additional offices or agencies where the Securities of a series may be presented for payment, where the Securities of that series may be presented for exchange as provided in this Indenture and pursuant to Section 2.03 and where the Securities of that series may be presented for registration of transfer as provided in this Indenture, and the Issuer may from time to time rescind any such designation, as the Issuer may deem desirable or expedient; provided, however, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain the agencies provided for in this Section. The Issuer will give to the Trustee prompt written notice of any such designation or rescission thereof.

Section 3.03. Appointment to Fill a Vacancy in Office of Trustee. The Issuer, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 5.09, a Trustee, so that there shall at all times be a Trustee with respect to each series of Securities hereunder.

Section 3.04. Paying Agents. Whenever the Issuer shall appoint a paying agent other than the Trustee with respect to the Securities of any series, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section,

(a) that it will hold all sums received by it as such agent for the payment of the principal of or interest on the Securities of such series (whether such sums have been paid to it by the Issuer, the Guarantor or by any other obligor on the Securities of such series) in trust for the benefit of the holders of the Securities of such series or of the Trustee,

(b) that it will give the Trustee notice of any failure by the Issuer (or by the Guarantor or any other obligor on the Securities of such series) to make any payment of the principal of or interest on the Securities of such series when the same shall be due and payable, and

(c) that it will pay any such sums so held in trust by it to the Trustee upon the Trustee's written request at any time during the continuance of the failure referred to in clause 3.04(b) above.

The Issuer will, on the Business Day prior to each due date of the principal of or interest on the Securities of such series, deposit with the paying agent a sum in immediately available funds in United States dollars sufficient to pay such principal or interest so becoming due, and (unless such paying agent is the Trustee) the Issuer will promptly notify the Trustee of any failure to take such action.

If the Issuer shall act as its own paying agent with respect to the Securities of any Series, it will, on or before each due date of the principal of or interest on the Securities of such series, set aside, segregate and hold in trust for the benefit of the holders of the Securities of such series a sum sufficient to pay such principal or interest so becoming due. The Issuer will promptly notify the Trustee of any failure to take such action.

Anything in this section to the contrary notwithstanding, the Issuer may at any time, for the purpose of obtaining a satisfaction and discharge with respect to one or more or all series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for any such series by the Issuer or any paying agent hereunder, as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.

Anything in this section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this section is subject to the provisions of Sections 9.03 and 9.04.

For the avoidance of doubt, any paying agent hereunder shall comply with applicable backup withholding tax and information reporting requirements under the U.S. Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder with respect to payments made under the Securities of any series (including, to the extent required, the collection of Internal Revenue Service Forms W-8 and W-9 and the filing of U.S. Internal Revenue Service Forms 1099 and 1096.

Section 3.05. Certificates of the Issuer and the Guarantor. The Issuer and the Guarantor will each furnish to the Trustee within 120 days after the end of each fiscal year of the Issuer or the Guarantor, as the case may be, an Officers' Certificate of the Issuer or the Guarantor, as the case may be, as to the signers' knowledge of the Issuer's or the Guarantor's compliance with all conditions and covenants under the Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under the Indenture). In the event an Officer of the Issuer comes to have actual knowledge of an Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, regardless of the date, the Issuer shall deliver an Officers' Certificate to the Trustee specifying such Default and the nature and status thereof.

Section 3.06. Securityholders Lists. If and so long as the Trustee shall not be the Security registrar for the Securities of any series, the Issuer will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the holders of the Securities of such series pursuant to Section 312 of the Trust Indenture Act of 1939 (a) semi-annually not more than 15 days after each record date for the payment of interest on such Securities, as hereinabove specified, as of such record date and on dates to be determined pursuant to Section 2.03 for non-interest bearing securities in each year, and (b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Issuer of any such request as of a date not more than 15 days prior to the time such information is furnished.

Section 3.07. Reports by the Issuer. Each of the Issuer and the Guarantor covenants to file with the Trustee, within 15 days after the Issuer or the Guarantor, as the case may be, is required to file the same with the Commission, copies of the annual reports and of the information, documents, and other reports that the Issuer or the Guarantor may be required to file with the Commission

pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's or the Guarantor's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates or Guarantor's Officers' Certificates, as applicable).

Section 3.08. Reports by the Trustee. Any Trustee's report required under Section 313(a) of the Trust Indenture Act of 1939 shall be transmitted on or before July 15 in each year following the date hereof, so long as any Securities are outstanding hereunder, and shall be dated as of a date convenient to the Trustee no more than 60 nor less than 45 days prior thereto.

Section 3.09. Calculation of Original Issue Discount. The Issuer shall prepare and provide to the Trustee on a timely basis any form required to be submitted by the Trustee on behalf of the Issuer with the Internal Revenue Service and the Holders of Securities relating to original issue discount, including, without limitation, Form 1099-OID or any successor form.

#### ARTICLE 4

##### REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

Section 4.01. Event of Default; Acceleration of Maturity, Waiver of Default. Unless otherwise established in accordance with Section 2.03 or by any applicable supplemental indenture, "Event of Default" with respect to Securities of any series wherever used herein means each one of the following events which shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (a) default in the payment of premium or principal in respect of the Securities;
- (b) default for more than 30 days in the payment of interest in respect of the Securities; or
- (c) the failure to perform or observe any other obligations under the Securities which failure continues for the period of 60 days next following service on the Issuer and the Guarantor of notice requiring the same to be remedied; or
- (d) the entry by a court having jurisdiction in the premises of:
  - (i) a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law; or
  - (ii) a decree or order adjudging the Issuer or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer or the Guarantor under any applicable U.S. federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor 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 for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(e) the commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Issuer to the entry of a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer or the Guarantor, or the filing by the Issuer or the Guarantor of a petition or answer or consent seeking reorganization or relief under any applicable U.S. federal or state law, or the consent by the Issuer or the Guarantor to the filing of such petition or to the appointment of or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor or of any substantial part of its property, or the making by the Issuer or the Guarantor of an assignment for the benefit of creditors, or the admission by the Issuer or the Guarantor in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer or the Guarantor expressly in furtherance of any such action; or

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

Unless otherwise set forth in any applicable supplemental indenture, if an Event of Default described in clauses 4.01(a), 4.01(b), 4.01(c), or 4.01(f) above (if the Event of Default under clauses 4.01(c) or 4.01(f) is with respect to less than all series of Securities then Outstanding) occurs and is continuing, then, and in each and every such case, except for any series the principal of which shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Securities of all series affected thereby then Outstanding hereunder (treated as one class) by notice in writing to the Issuer and the Guarantor (and to the Trustee if given by Securityholders), may declare the entire principal (or, if the Securities of any such affected series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) of all Securities of such affected series and the interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. Unless otherwise set forth in any applicable supplemental indenture, if an Event of Default described in clauses 4.01(c) or 4.01(f) (if the Event of Default under clauses 4.01(c) or 4.01(f) is with respect to all series of Securities at the time Outstanding) occurs and is continuing, then and in each and every such case, unless the principal of all the Securities shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of all the then Outstanding Securities hereunder (treated as one class) for which any applicable supplemental indenture does not prevent acceleration under the relevant circumstances, by notice in writing to the Issuer and the Guarantor (and to the Trustee if given by Securityholders), may declare the entire principal (or, if any Securities are Original Issue Discount Securities, such portion of the principal as may be specified in the terms thereof) of all the Securities then Outstanding and interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. Unless otherwise set forth in any applicable supplemental indenture, if an Event of Default described in clauses 4.01(d) or 4.01(e) occurs and is continuing, then the principal and accrued and unpaid interest, and premium if any, with respect to any Securities then Outstanding shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The foregoing provisions, however, are subject to the condition that if, at any time after the principal (or, if the Securities are Original Issue Discount Securities, such portion of the principal as

may be specified in the terms thereof) of the Securities of any series (or of all the Securities, as the case may be) shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer or the Guarantor shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Securities of such series (or of all the Securities, as the case may be) and the principal of any and all Securities of such series (or of all the Securities, as the case may be) which shall have become due otherwise than by acceleration (with interest upon such principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series (or at the respective rates of interest or Yields to Maturity of all the Securities, as the case may be) to the date of such payment or deposit) and such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of negligence or bad faith, and if any and all Events of Default under the Indenture, other than the non-payment of the principal of Securities which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided herein, then and in every such case the holders of a majority in aggregate principal amount of all the Securities of each such series (or of all the Securities, as the case may be) then Outstanding (in each case treated as one class), by written notice to the Issuer, the Guarantor and the Trustee, may waive all defaults with respect to each such series (or with respect to all the Securities, as the case may be) and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

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

Section 4.02. Collection of Indebtedness by Trustee; Trustee May Prove Debt. Each of the Issuer and the Guarantor covenants that (a) in case default shall be made in the payment of any installment of interest on any of the Securities of any series when such interest shall have become due and payable, and such default shall have continued for a period of 30 days or (b) in case default shall be made in the payment of all or any part of the principal of any of the Securities of any series when the same shall have become due and payable, whether upon maturity of the Securities of such series or upon any redemption or by declaration or otherwise, then upon demand of the Trustee, the Issuer or the Guarantor, as the case may be, will pay to the Trustee for the benefit of the Holders of the Securities of such series the whole amount that then shall have become due and payable on all Securities of such series for principal or interest, as the case may be (with interest to the date of such payment upon the overdue principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series); and in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee and each predecessor Trustee, their respective agents, attorneys and counsel, and any expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of its negligence or bad faith.

Until such demand is made by the Trustee, the Issuer may pay the principal of and interest on the Securities of any series to the registered Holders, whether or not the principal of and interest on the Securities of such series be overdue.

In case the Issuer or the Guarantor shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Issuer or the Guarantor or other obligor upon such Securities and collect in the manner provided by law out of the property of the Issuer or the Guarantor or other obligor upon such Securities, wherever situated, the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings relative to the Issuer, the Guarantor or any other obligor upon the Securities under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or the Guarantor or its property or such other obligor, or in case of any other comparable judicial proceedings relative to the Issuer, the Guarantor or other obligor upon the Securities of any series, or to the creditors or property of the Issuer, the Guarantor or such other obligor, the Trustee, irrespective of whether the principal of any Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise:

(a) to file and prove a claim or claims for the whole amount of principal and interest (or, if the Securities of any series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) owing and unpaid in respect of the Securities of any series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence or bad faith) and of the Securityholders allowed in any judicial proceedings relative to the Issuer, the Guarantor or other obligor upon the Securities of any series, or to the creditors or property of the Issuer, the Guarantor or such other obligor,

(b) unless prohibited by applicable law and regulations, to vote on behalf of the holders of the Securities of any series in any election of a trustee or a standby trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency proceedings or person performing similar functions in comparable proceedings, and

(c) to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Securityholders and of the Trustee on their behalf; and any trustee, receiver, or liquidator, custodian or other similar official is hereby authorized by each of the Securityholders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the Securityholders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Securityholder any plan or reorganization, arrangement, adjustment or composition affecting the Securities of any series or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Securityholder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar person.

All rights of action and of asserting claims under this Indenture, or under any of the Securities, may be enforced by the Trustee without the possession of any of the Securities or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the holders of the Securities in respect of which such action was taken.

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

Section 4.03. Application of Proceeds. Any moneys collected by the Trustee pursuant to this Article in respect of any series shall be applied in the following order at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal or interest, upon presentation of the several Securities in respect of which monies have been collected and stamping (or otherwise noting) thereon the payment, or issuing Securities of such series in reduced principal amounts in exchange for the presented Securities of like series if only partially paid, or upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses applicable to such series in respect of which monies have been collected, including reasonable compensation to the Trustee and each predecessor Trustee and their respective agents and attorneys and of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith;

SECOND: In case the principal of the Securities of such series in respect of which moneys have been collected shall not have become and be then due and payable, to the payment of interest on the Securities of such series in default in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in such Securities, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of the Securities of such series in respect of which moneys have been collected shall have become and shall be then due and payable, to the payment of the whole amount then owing and unpaid upon all the Securities of such series for principal and interest, with interest upon the overdue principal, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Securities of such series, then to the payment of such principal and interest or Yield to Maturity, without preference or priority of principal over interest or Yield to Maturity, or of interest or Yield to Maturity over principal, or of any installment of interest over any other installment of interest, or of any Security of such series over any other Security of such series, ratably to the aggregate of such principal and accrued and unpaid interest or Yield to Maturity; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other person lawfully entitled thereto.

Section 4.04. Suits for Enforcement. In case an Event of Default has occurred, has not been waived and is continuing, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 4.05. Restoration of Rights on Abandonment of Proceeding. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Trustee and the Securityholders shall continue as though no such proceedings had been taken.

Section 4.06. Limitations on Suits by Securityholder. No holder of any Security of any series shall have any right by virtue or by availing of any provision of this Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to this Indenture, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of not less than 25% in aggregate principal amount of the Securities of each affected series then Outstanding (treated as a single class) shall have made written request upon the Trustee to institute such action or proceedings in its own name as trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 4.09; it being understood and intended, and being expressly covenanted by the taker and Holder of every Security with every other taker and Holder and the Trustee, that no one or more Holders of Securities of any series shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other such Holder of Securities, or to obtain or seek to obtain priority over or preference to any other such Holder or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities of the applicable series. For the protection and enforcement of the provisions of this Section, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 4.07. Unconditional Right of Securityholders to Institute Certain Suits. Notwithstanding any other provision in this Indenture and any provision of any Security, the right of any Holder of any Security to receive payment of the principal of and interest on such Security on or after the respective due dates expressed in such Security, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 4.08. Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default. Except as provided in Section 4.06, no right or remedy herein conferred upon or reserved to the Trustee or to the Securityholders 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.

No delay or omission of the Trustee or of any Securityholder to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and, subject to Section 4.06, every power and remedy given by this Indenture or by law to the Trustee or to the Securityholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Securityholders.

Section 4.09. Control by Securityholders. The Holders of a majority in aggregate principal amount of the Securities of each series affected (with all such series voting as a single class) at the time Outstanding 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 Securities of such series by this Indenture; provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture and provided further that (subject to the provisions of Section 5.01) the Trustee shall have the right to decline to follow any such direction if the Trustee shall determine that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith shall determine that the action or proceedings so directed would involve the Trustee in personal liability or if the Trustee in good faith shall so determine that the actions or forbearances specified in or pursuant to such direction would be unduly prejudicial to the interests of Holders of the Securities of all series so affected not joining in the giving of said direction, it being understood that (subject to Section 5.01) the Trustee shall have no duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders.

Nothing in this Indenture shall impair the right of the Trustee in its discretion to take any action deemed proper by the Trustee and which is not inconsistent with such direction or directions by Securityholders.

Section 4.10. Waiver of Past Defaults. Prior to the acceleration of the maturity of any Securities as provided in Section 4.01, the Holders of a majority in aggregate principal amount of the Securities of all series at the time Outstanding with respect to which an Event of Default shall have occurred and be continuing (voting as a single class) may on behalf of the Holders of all such Securities waive any past default or Event of Default described in Section 4.01 and its consequences, except a default in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Security affected. In the case of any such waiver, the Issuer, the Guarantor, the Trustee and the Holders of all such Securities shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Upon any such waiver, such default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured, and not to have occurred for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 4.11. Trustee to Give Notice of Default, But May Withhold in Certain Circumstances. The Trustee shall give to the Securityholders of any series, as the names and addresses of such Holders appear on the registry books, notice by mail of all defaults known to the Trustee which have occurred with respect to such series, such notice to be transmitted within 90 days after the occurrence thereof, unless such defaults shall have been cured before the giving of such notice (the term “default” or “defaults” for the purposes of this section being hereby defined to mean any event or condition which is, or with notice or lapse of time or both would become, an Event of Default); provided that, except in the case of default in the payment of the principal of or interest on any of the Securities of such series, or in the payment of any sinking or purchase fund installment with respect to the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or trustees and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Securityholders of such series.

Section 4.12. Right of Court to Require Filing of Undertaking to Pay Costs. All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken, suffered 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 Securityholder or group of Securityholders of any series holding in the aggregate more than 10% in aggregate principal amount of the Securities of such series, or, in the case of any suit relating to or arising under clauses 4.01(c) or 4.01(f) (if the suit relates to Securities of more than one but less than all series), 10% in aggregate principal amount of Securities Outstanding affected thereby, or in the case of any suit relating to or arising under clauses 4.01(c) or 4.01(f) (if the suit relates to all the Securities then Outstanding), 4.01(d) or 4.01(e), 10% in aggregate principal amount of all Securities Outstanding, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of or interest on any Security on or after the due date expressed in such Security.

## ARTICLE 5

### CONCERNING THE TRUSTEE

Section 5.01. Duties and Responsibilities of the Trustee; During Default; Prior to Default. With respect to the Holders of any series of Securities issued hereunder, the Trustee, prior to the occurrence of an Event of Default with respect to the Securities of a particular series and after the curing or waiving of all Events of Default which may have occurred with respect to such series, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default with respect to the Securities of a series has occurred (which has not been cured or waived) the Trustee shall exercise with respect to such series of Securities 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 or her own affairs.

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

(a) prior to the occurrence of an Event of Default with respect to the Securities of any series and after the curing or waiving of all such Events of Default with respect to such series which may have occurred:

(i) the duties and obligations of the Trustee with respect to the Securities of any Series shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such statements, certificates or opinions which by any provision 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 (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein);

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

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders pursuant to Section 4.09 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.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there shall be reasonable ground for believing that the repayment of such funds or adequate indemnity against such liability is not reasonably assured to it.

The provisions of this Section 5.01 are in furtherance of and subject to Sections 315 and 316 of the Trust Indenture Act of 1939.

Section 5.02. Certain Rights of the Trustee. In furtherance of and subject to the Trust Indenture Act of 1939, and subject to Section 5.01:

(a) the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate, Guarantor's Officers' Certificate or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, coupon, security 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, direction, order or demand of the Issuer or the Guarantor mentioned herein shall be sufficiently evidenced by an Officers' Certificate or a Guarantor's Officers' Certificate, as the case may be, (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board or of the Guarantor's Board of Directors may be evidenced to the Trustee by a copy thereof certified by the secretary or an assistant secretary of the Issuer or the Guarantor, as the case may be;

(c) the Trustee may consult with counsel of its selection and any advice or Opinion of Counsel 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 of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, 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, consent, order, approval, appraisal, bond, debenture, note, coupon, security, or other paper or document unless requested in writing so to do by the holders of not less than a majority in aggregate principal amount of the Securities of all series affected then outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require indemnity satisfactory to it against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such investigation shall be paid by the Issuer or, if paid by the Trustee or any predecessor trustee, shall be repaid by the Issuer upon demand;

(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 not regularly in its employ and the 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;

(h) 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, conclusively rely upon an Officers' Certificate or a Guarantor's Officers' Certificate, as the case may be;

(i) the Trustee shall not be deemed to have notice of any Event of Default or an event which, with notice or lapse of time or both, would constitute an Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Securities and this Indenture;

(j) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;

(k) the Trustee may request that the Issuer or the Guarantor deliver an Officers' Certificate or a Guarantor's Officers' Certificate, as the case may be, setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate or Guarantor's Officers' Certificate, as the case may be, may be signed by any person authorized to sign an Officers' Certificate or a Guarantor's Officers' Certificate, as the case may be, including any person specified as so authorized in any such certificate previously delivered and not superseded;

(l) in no event shall the Trustee be responsible or liable for special, indirect, incidental, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(m) in no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances; and

(n) neither the Trustee nor any Agent shall have any obligation or duty to monitor, determine or inquire as to compliance by the Issuer, the Guarantor or the Securityholders with or with respect to any securities or tax laws (including but not limited to any United States federal or state or other securities or tax laws), or, except as specifically provided herein, obtain documentation on any transfers or exchanges of the Securities of any series. Nothing in this provision shall be deemed to limit the Trustee's duty to comply with any obligations it may have pursuant to applicable law.

Section 5.03. Trustee Not Responsible for Recitals, Disposition of Securities or Application of Proceeds Thereof. The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Issuer or the Guarantor, as the case may be, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Issuer of any of the Securities or of the proceeds thereof.

Section 5.04. Trustee and Agents May Hold Securities; Collections, etc. The Trustee or any agent of the Issuer, the Guarantor or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not the Trustee or such agent and may otherwise deal with the Issuer or the Guarantor and receive, collect, hold and retain collections from the Issuer or the Guarantor with the same rights it would have if it were not the Trustee or such agent.

Section 5.05. Moneys Held by Trustee. Subject to the provisions of Section 9.04 hereof, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. Neither the Trustee nor any agent of the Issuer or the Trustee shall be under any liability for interest on any moneys received by it hereunder.

Section 5.06. Compensation and Indemnification of Trustee and its Prior Claim. The Issuer covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, compensation as the Issuer and the Trustee shall from time to time agree in writing (which shall not be

limited by any provision of law in regard to the compensation of a trustee of an express trust) and the Issuer covenants and agrees to pay or reimburse the Trustee and each predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ) except to the extent any such expense, disbursement or advance may arise from its negligence or bad faith. The Issuer also covenants to indemnify the Trustee and each predecessor Trustee and their agents, officers, directors and employees for, and to hold each of them harmless against, any loss, liability or expense arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and the performance of its duties hereunder, including the costs and expenses of defending itself against or investigating any claim of liability in the premises, except to the extent such loss liability or expense is due to the negligence or bad faith of the Trustee or such predecessor Trustee or their respective agents, officers, directors and employees. The obligations of the Issuer under this section to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the payment in full of the Securities issued hereunder, the resignation or removal of the Trustee, or the satisfaction and discharge of this Indenture. Such additional indebtedness shall be a senior claim to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Securities, and the Securities are hereby subordinated to such senior claim.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 4.01(d) or Section 4.01(e), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable federal or state bankruptcy, insolvency or other similar law.

Section 5.07. Right of Trustee to Rely on Officers' Certificate, etc. Subject to Sections 5.01 and 5.02, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 5.08. Persons Eligible for Appointment as Trustee. The Trustee for each series of Securities hereunder shall at all times be a corporation organized and doing business under the laws of the United States of America or the District of Columbia having a combined capital and surplus of at least \$25,000,000, and which is eligible in accordance with the provisions of Section 310 (a) of the Trust Indenture Act of 1939. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of a federal, state or District of Columbia supervising or examining authority, then for 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.

Section 5.09. Resignation and Removal; Appointment of Successor Trustee. (a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all series of Securities by giving written notice of resignation to the Issuer and by mailing notice thereof by first class mail to Holders of the applicable series of Securities at their last addresses as they shall appear on the Security register. Upon receiving such notice of resignation, the Issuer shall promptly

appoint a successor trustee or trustees with respect to the applicable series by written instrument in duplicate, executed by authority of the Board, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee or trustees. If no successor trustee shall have been so appointed with respect to any series and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning trustee at the Issuer's expense may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Securityholder who has been a bona fide Holder of a Security or Securities of the applicable series for at least six months may, subject to the provisions of Section 4.12, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

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

(i) the Trustee shall fail to comply with the provisions of Section 310(b) of the Trust Indenture Act of 1939 with respect to any series of Securities after written request therefor by the Issuer or by any Securityholder who has been a bona fide Holder of a Security or Securities of such series for at least six months; or

(ii) the Trustee shall cease to be eligible in accordance with the provisions of Section 310(a) of the Trust Indenture Act of 1939 and shall fail to resign after written request therefor by the Issuer or by any Securityholder; or

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

then, in any such case, the Issuer may remove the Trustee with respect to the applicable series of Securities and appoint a successor trustee for such series by written instrument, in duplicate, executed by order of the Board of the Issuer, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to Section 315(e) of the Trust Indenture Act of 1939, any Securityholder who has been a bona fide Holder of a Security or Securities of such series for at least six months may on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such series. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Securities of each series at the time outstanding may at any time remove the Trustee with respect to Securities of such series and appoint a successor trustee with respect to the Securities of such series by delivering to the Trustee so removed, to the successor trustee so appointed and to the Issuer the evidence provided for in Section 6.01 of the action in that regard taken by the Securityholders.

(d) Any resignation or removal of the Trustee with respect to any series and any appointment of a successor trustee with respect to such series pursuant to any of the provisions of this Section 5.09 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 5.10.

**Section 5.10. Acceptance of Appointment by Successor Trustee.** Any successor trustee appointed as provided in Section 5.09 shall execute and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of

the predecessor trustee with respect to all or any applicable series shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee for such series hereunder; but, nevertheless, on the written request of the Issuer or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall, subject to Section 9.04, pay over to the successor trustee all moneys at the time held by it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a prior claim upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 5.06.

If a successor trustee is appointed with respect to the Securities of one or more (but not all) series, the Issuer, the predecessor Trustee and each successor trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the Securities of any series as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee, and 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 trusts 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 a trust or trusts under separate indentures.

Upon acceptance of appointment by any successor trustee as provided in this Section 5.10, the Issuer shall mail notice thereof by first-class mail to the Holders of Securities of any series for which such successor trustee is acting as trustee at their last addresses as they shall appear in the Security register. If the acceptance of appointment is substantially contemporaneous with the resignation, then the notice called for by the preceding sentence may be combined with the notice called for by Section 5.09. If the Issuer fails to mail such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Issuer.

Section 5.11. Merger, Conversion, Consolidation or Succession to Business of Trustee. 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 that such corporation shall be eligible under the provisions of Section 5.08, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities of any series shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee and deliver such Securities so authenticated; and, in case at that time any of the Securities of any series shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificate shall have the full force which it is anywhere in the Securities of such series or in this Indenture provided that the certificate of the Trustee shall have; provided, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities of any series in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

## ARTICLE 6

### CONCERNING THE SECURITYHOLDERS

Section 6.01. Evidence of Action Taken by Securityholders. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by a specified percentage in principal amount of the Securityholders of any or all series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such specified percentage of Securityholders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee. Proof of execution of any instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Sections 5.01 and 5.02) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Article.

Section 6.02. Proof of Execution of Instruments and of Holding of Securities; Record Date. Subject to Sections 5.01 and 5.02, the execution of any instrument by a Securityholder or his agent or proxy may be proved in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The holding of Securities shall be proved by the Security register or by a certificate of the registrar thereof. The Issuer may set a record date for purposes of determining the identity of holders of Securities of any series entitled to vote or consent to any action referred to in Section 6.01, which record date may be set at any time or from time to time by notice to the Trustee, for any date or dates (in the case of any adjournment or reconsideration) not more than 60 days nor less than 5 days prior to the proposed date of such vote or consent, and thereafter, notwithstanding any other provisions hereof, only holders of Securities of such series of record on such record date shall be entitled to so vote or give such consent or revoke such vote or consent.

Section 6.03. Holders to be Treated as Owners. The Issuer, the Guarantor, the Trustee and any agent of the Issuer, the Guarantor or the Trustee may deem and treat the person in whose name any Security shall be registered upon the Security register for such series as the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and, subject to the provisions of this Indenture, interest on such Security and for all other purposes; and none of the Issuer, the Guarantor, the Trustee or any agent of the Issuer, the Guarantor or the Trustee shall be affected by any notice to the contrary. All such payments so made to any such person, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Security.

Section 6.04. Securities Owned by Issuer Deemed Not Outstanding. In determining whether the Holders of the requisite aggregate principal amount of Outstanding Securities of any or all series have concurred in any direction, consent or waiver under this Indenture, Securities which are owned by the Issuer or any other obligor on the Securities with respect to which such determination is being made or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities with respect to which such determination is being made shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Securities which a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Issuer or any other obligor upon the Securities or any person directly or indirectly controlling or controlled by or

under direct or indirect common control with the Issuer or any other obligor on the Securities. In case of a dispute as to such right, the advice of counsel shall be full protection in respect of any decision made by the Trustee in accordance with such advice. Upon request of the Trustee, the Issuer shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Securities, if any, known by the Issuer to be owned or held by or for the account of any of the above-described persons; and, subject to Sections 5.01 and 5.02, 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 Securities not listed therein are Outstanding for the purpose of any such determination.

Section 6.05. Right of Revocation of Action Taken. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 6.01, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action, any Holder of a Security the serial number of which is shown by the evidence to be included among the serial numbers of the Securities the Holders of which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Article, revoke such action so far as concerns such Security. Except as aforesaid any such action taken by the Holder of any Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and of any Securities issued in exchange or substitution therefor or on registration of transfer thereof, irrespective of whether or not any notation in regard thereto is made upon any such Security. Any action taken by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action shall be conclusively binding upon the Issuer, the Trustee and the Holders of all the Securities affected by such action.

## ARTICLE 7

### SUPPLEMENTAL INDENTURES

Section 7.01. Supplemental Indentures without Consent of Securityholders. The Issuer, when authorized by a resolution of its Board (which resolutions may provide general authorization for such action and may provide that the specific terms of such action may be determined by officers of the Issuer authorized thereby), and the Guarantor, when authorized by a resolution of the Guarantor's Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Securities of one or more series any property or assets;

(b) to evidence the succession of another legal entity to the Issuer or the Guarantor, as the case may be, or successive successions, and the assumption by the successor legal entity of the covenants, agreements and obligations of the Issuer or the Guarantor, as the case may be, pursuant to Article 8;

(c) to add to the covenants of the Issuer or the Guarantor such further covenants, restrictions, conditions or provisions as the Issuer, the Guarantor and the Trustee shall consider to be for the protection of the Holders of Securities, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, that in respect of any such additional covenant, restriction, condition or provision such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an

immediate enforcement upon such an Event of Default or may limit the remedies available to the Trustee upon such an Event of Default or may limit the right of the Holders of a majority in aggregate principal amount of the Securities of such series to waive such an Event of Default;

(d) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture; or to make such other provisions in regard to matters or questions arising under this Indenture or under any supplemental indenture as the Issuer or the Guarantor may deem necessary or desirable and which shall not adversely affect the interests of the Holders of the Securities in any material respect;

(e) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 2.03; and

(f) to evidence the assumption by the Guarantor of all of the rights and obligations of the Issuer hereunder with respect to a series of Securities and under the Securities of such series and the release of the Issuer from its liabilities hereunder and under such Securities as obligor on the Securities of such series, all as provided in Section 12.06 hereof.

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

Any supplemental indenture authorized by the provisions of this section may be executed without the consent of the Holders of any of the Securities at the time outstanding, notwithstanding any of the provisions of Section 7.02.

Section 7.02. Supplemental Indentures with Consent of Securityholders. With the consent (evidenced as provided in Article 6) of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of all series affected by such supplemental indenture (voting as one class), the Issuer, when authorized by a resolution of its Board (which resolutions may provide general authorization for such action and may provide that the specific terms of such action may be determined by officers of the Issuer authorized thereby), and the Guarantor, when authorized by a resolution of the Guarantor's Board of Directors, and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Securities of each such series; provided, that no such supplemental indenture shall (a) (i) extend the final maturity of any Security, (ii) reduce the principal amount thereof, (iii) reduce the rate or extend the time of payment of interest thereon, (iv) reduce any amount payable on redemption thereof, (v) make the principal thereof (including any amount in respect of original issue discount), or interest thereon payable in any coin or currency other than that provided in the Securities or in accordance with the terms thereof, (vi) modify or amend any provisions for converting any currency into any other currency as provided in the Securities or in accordance with the terms thereof, (vii) reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon an acceleration of the maturity thereof pursuant to Section 4.01 or the amount thereof provable in bankruptcy pursuant to Section 4.02, (viii) modify or amend any provisions relating to the conversion or exchange of the Securities for securities of the Issuer or the Guarantor or of other entities or other property (or the cash value thereof), including the determination of

the amount of securities or other property (or cash) into which the Securities shall be converted or exchanged, other than as provided in the antidilution provisions or other similar adjustment provisions of the Securities or otherwise in accordance with the terms thereof, or (ix) alter the provisions of Section 10.11 or Section 10.13 or impair or affect the right of any Securityholder to institute suit for the payment thereof or, if the Securities provide therefor, any right of repayment at the option of the Securityholder, in each case without the consent of the Holder of each Security so affected, or (b) reduce the aforesaid percentage of Securities of any series, the consent of the Holders of which is required for any such supplemental indenture, without the consent of the Holders of each Security so affected.

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

Upon the request of the Issuer, accompanied by a copy of a resolution of the Board (which resolutions may provide general authorization for such action and may provide that the specific terms of such action may be determined by officers of the Issuer authorized thereby) certified by the secretary or an assistant secretary of the Issuer authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders as aforesaid and other documents, if any, required by Section 6.01, the Trustee shall join with the Issuer and the Guarantor in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

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

Promptly after the execution by the Issuer, the Guarantor and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall give notice thereof by (a) first class mail to the Holders of Securities of each series affected thereby at their addresses as they shall appear on the registry books of the Issuer or (b) by any other means set forth in such supplemental indenture, setting forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 7.03. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer, the Guarantor and the Holders of Securities of each series affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.04. Documents to Be Given to Trustee. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and 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. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 7.05. Notation on Securities in Respect of Supplemental Indentures. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation in form approved by the Trustee for such series as to any matter provided for by such supplemental indenture or as to any action taken by Securityholders. If the Issuer or the Trustee shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Board, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Issuer, authenticated by the Trustee and delivered in exchange for the Securities of such series then Outstanding.

## ARTICLE 8

### CONSOLIDATION, MERGER, SALE OR CONVEYANCE

Section 8.01. Issuer May Consolidate, etc., on Certain Terms. The Issuer covenants that it will not merge or consolidate with any other Person or sell or convey all or substantially all of its assets to any Person, unless (i) either the Issuer shall be the continuing legal entity, or the successor legal entity or the Person which acquires by sale or conveyance substantially all the assets of the Issuer (if other than the Issuer) shall expressly assume the due and punctual payment of the principal of and interest on all the Securities, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed or observed by the Issuer, by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such successor legal entity, and (ii) the Issuer or such successor legal entity, as the case may be, shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

Section 8.02. Successor Substituted. In case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor legal entity, all in the manner described in section 8.01, such successor legal entity shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein. Such successor legal entity may cause to be signed, and may issue either in its own name or in the name of the Issuer prior to such succession any or all of the Securities issuable hereunder which theretofore shall not have been signed by the Issuer and delivered to the Trustee; and, upon the order of such successor legal entity instead of the Issuer and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Securities which previously shall have been signed and delivered by the officers of the Issuer to the Trustee for authentication, and any Securities which such successor legal entity thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof. Any required changes in phrasing and form (but not in substance) may be made in the Securities thereafter to be issued as may be appropriate.

In the event of such assumption following any sale or conveyance in accordance with section 8.01 and this section 8.02 (other than a conveyance by way of lease) the Issuer (including any successor legal entity that has been further substituted in accordance with section 8.01 and this section 8.02) shall be discharged from all obligations and covenants under this Indenture and the Securities and may be liquidated and dissolved.

Section 8.03. Guarantor May Consolidate, etc., on Certain Terms. The Guarantor covenants that it will not merge or consolidate with any other Person or sell, lease or convey all or substantially all of its assets to any other Person, unless (i) either the Guarantor shall be the continuing legal entity, or the successor legal entity or the Person which acquires by sale, lease or conveyance substantially all the assets of the Guarantor (if other than the Guarantor) shall expressly assume the due and punctual payment of the principal of and interest on all the Securities and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed or observed by the Guarantor, by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such successor legal entity, and (ii) the Guarantor, such Person or such successor legal entity, as the case may be, shall not, immediately after such merger or consolidation, or such sale, lease or conveyance, be in default in the performance of any such covenant or condition.

Section 8.04. Successor Legal Entity Substituted for the Guarantor. In case of any such consolidation, merger, sale, lease or conveyance, and following such an assumption by the successor legal entity, all in the manner described in section 8.03, such successor legal entity shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein and any required changes in phrasing and form (but not in substance) may be made in the Securities thereafter to be issued as may be appropriate.

In the event of such assumption following any sale or conveyance in accordance with section 8.03 and this section 8.04 (other than a conveyance by way of lease) the Guarantor (including any successor legal entity that has been further substituted in accordance with section 8.03 and this section 8.04) shall be discharged from all obligations and covenants under this Indenture and the Securities and may be liquidated and dissolved.

Section 8.05. Opinion of Counsel to Trustee. The Trustee, subject to the provisions of Sections 5.01 and 5.02, shall receive an Opinion of Counsel, prepared in accordance with Section 10.05, as conclusive evidence that any such consolidation, merger, sale, lease or conveyance, and any such assumption, and any such liquidation or dissolution, complies with the applicable provisions of this Indenture.

## ARTICLE 9

### SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS

Section 9.01. Satisfaction and Discharge of Indenture. (a) If at any time (i) the Issuer or the Guarantor shall have paid or caused to be paid the principal of and interest on all the Securities of any series outstanding hereunder (other than Securities of such series which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.09) as and when the same shall have become due and payable, or (ii) the Issuer or the Guarantor shall have delivered to the Trustee for cancellation all Securities of any series theretofore authenticated (other than any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.09) or (iii) (A) all the securities of such series not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and (B) the Issuer or the Guarantor shall have irrevocably deposited or caused to be deposited with the Trustee as trust funds the entire amount in cash (other than moneys repaid by the Trustee or any paying agent to the Issuer in accordance with Section 9.04) in the case of any series of Securities the payments on which may only be made in United States dollars, direct obligations of the United States of America, backed by its full faith and credit ("U.S. Government Obligations"), maturing as to principal and interest at such times and in such amounts as will

insure the availability of cash, or a combination thereof, sufficient to pay at maturity or upon redemption all Securities of such series (other than any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.09) not theretofore delivered to the Trustee for cancellation, including principal and interest due or to become due on or prior to such date of maturity as the case may be, and if, in any such case, the Issuer or the Guarantor shall also pay or cause to be paid all other sums payable hereunder by the Issuer or the Guarantor with respect to Securities of such series, then this Indenture shall cease to be of further effect with respect to Securities of such series (except as to (i) rights of registration of transfer and exchange of securities of such series, and the Issuer's right of optional redemption, if any, (ii) substitution of mutilated, defaced, destroyed, lost or stolen Securities, (iii) rights of holders to receive payments of principal thereof and interest thereon upon the original stated due date therefor (but no upon acceleration), and remaining rights of the holders to receive mandatory sinking fund payments, if any, (iv) the rights, obligations, indemnities and immunities of the Trustee hereunder and (v) the rights of the Securityholders of such series as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them), and the Trustee, on demand of the Issuer or the Guarantor accompanied by an Officers' Certificate (or Guarantor's Officer's Certificate respectively) and an Opinion of Counsel and at the cost and expense of the Issuer, shall execute proper instruments acknowledging such satisfaction of and discharging this Indenture with respect to such series; provided, that the rights of Holders of the Securities to receive amounts in respect of principal of and interest on the Securities held by them shall not be delayed longer than required by then-applicable mandatory rules or policies of any securities exchange upon which the Securities are listed. The Issuer agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Securities of such series.

(b) The following provisions shall apply to the Securities of each series unless specifically otherwise provided in a Board Resolution, Officers' Certificate or indenture supplemental hereto provided pursuant to Section 2.03. In addition to discharge of the Indenture pursuant to the next preceding paragraph, in the case of any series of Securities the exact amounts (including the currency of payment) of principal of and interest due on which can be determined at the time of making the deposit referred to in clause 9.01(b)(i) below, the Issuer and the Guarantor shall be deemed to have paid and discharged the entire indebtedness on all the Securities of such a series on the 91st day after the date of the deposit referred to in clause 9.01(b)(i) below, and the provisions of this Indenture with respect to the Securities of such series thereto shall no longer be in effect (except as to (1) rights of registration of transfer and exchange of Securities of such series and the Issuer's right of optional redemption, if any, (2) substitution of mutilated, defaced, destroyed, lost or stolen Securities, (3) rights of Holders of Securities to receive payments of principal thereof and interest thereon, upon the original stated due dates therefor (but not upon acceleration), and remaining rights of the Holders to receive mandatory sinking fund payments, if any, (4) the rights, obligations, duties, indemnities and immunities of the Trustee hereunder, (5) the rights of the Holders of Securities of such series as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them and (6) the obligations of the Issuer under Section 3.02) and the Trustee, at the expense of the Issuer or the Guarantor, shall at the Issuer's or the Guarantor's request, execute proper instruments acknowledging the same, if

(i) with reference to this provision the Issuer or the Guarantor has irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds in trust specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Securities of such series (A) cash in an amount, or (B) in the case of any series of Securities the payments on which may only be made in Dollars, U.S. Government Obligations, maturing as to principal and interest at such times and in such amounts as will insure the availability of cash or (C) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the

Trustee, to pay (1) the principal and interest on all Securities of such series and Coupons appertaining thereto on each date that such principal or interest is due and payable and (2) any mandatory sinking fund payments on the dates on which such payments are due and payable in accordance with the terms of the Indenture and the Securities of such series;

(ii) such deposit will not result in a breach or violation of, or constitute a default under, any agreement or instrument to which the Issuer is a party or by which it is bound;

(iii) the Issuer or the Guarantor has delivered to the Trustee an Opinion of Counsel based on the fact that (x) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (y) since the date hereof, there has been a change in the applicable federal income tax law, in either case to the effect that, and such opinion shall confirm that, the Holders of the Securities of such series and Coupons appertaining thereto will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred; and

(iv) the Issuer or the Guarantor has delivered to the Trustee an Officers' Certificate or Guarantor's Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to the defeasance contemplated by this provision have been complied with.

(c) Each of the Issuer and the Guarantor shall be released from its obligations under Section 8.01 with respect to the Securities of any Series, Outstanding, and under any guarantee in respect thereof, on and after the date the conditions set forth below are satisfied (hereinafter, "covenant defeasance"). For this purpose, such covenant defeasance means that, with respect to the Outstanding Securities of any Series, and under a guarantee in respect thereof, the Issuer and the Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in such Sections, whether directly or indirectly by reason of any reference elsewhere herein to such Sections or by reason of any reference in such Sections to any other provision herein or in any other document and such omission to comply shall not constitute an Event of Default under Section 4.01, but the remainder of this Indenture and such Securities and Coupons and the Guarantee shall be unaffected thereby. The following shall be the conditions to application of this subsection (c) of this Section 9.01:

(i) The Issuer or the Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the holders of the Securities of such series, (A) cash in an amount, or (B) in the case of any series of Securities the payments on which may only be made in Dollars, U.S. Government Obligations maturing as to principal and interest at such times and in such amounts as will insure the availability of cash or (C) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay (1) the principal and interest on all Securities of such series and Coupons appertaining thereto and (2) any mandatory sinking fund payments on the day on which such payments are due and payable in accordance with the terms of the Indenture and the Securities of such series.

(ii) No Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to the Securities shall have occurred and be continuing on the date of such deposit, after giving effect thereto.

(iii) Such covenant defeasance shall not cause the Trustee to have a conflicting interest for purposes of the Trust Indenture Act of 1939 with respect to any securities of the Issuer.

(iv) Such covenant defeasance shall not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer or the Guarantor is a party or by which either of them is bound.

(v) Such covenant defeasance shall not cause any Securities then listed on any registered national securities exchange under the Securities Exchange Act of 1934, as amended, to be delisted.

(vi) The Issuer or the Guarantor shall have delivered to the Trustee an Officers' Certificate or Guarantor's Officers' Certificate, as the case may be, and Opinion of Counsel to the effect that the Holders of the Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred.

(vii) The Issuer or the Guarantor shall have delivered to the Trustee an Officers' Certificate or Guarantor's Officers' Certificate, as the case may be, and an Opinion of Counsel, each stating that all conditions precedent provided for relating to the covenant defeasance contemplated by this provision have been complied with.

Section 9.02. Application by Trustee of Funds Deposited for Payment of Securities. Subject to Section 9.04 and any subordination provisions applicable to the Securities; all moneys deposited with the Trustee pursuant to Section 9.01 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Issuer acting as its own paying agent), to the Holders of the particular Securities of such series for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest; but such money need not be segregated from other funds except to the extent required by law.

Section 9.03. Repayment of Moneys Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series, all moneys then held by any paying agent under the provisions of this Indenture with respect to such series of Securities shall, upon written demand of the Issuer, be repaid to it or paid to the Trustee and thereupon such paying agent shall be released from all further liability with respect to such moneys.

Section 9.04. Return of Moneys Held by Trustee and Paying Agent Unclaimed for Two Years. Any moneys deposited with or paid to the Trustee or any paying agent for the payment of the principal of or interest on any Security of any series and not applied but remaining unclaimed for two years after the date upon which such principal or interest shall have become due and payable, shall, upon the written request of the Issuer and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Issuer by the Trustee for such series or such paying agent, and the Holder of the Security of such series shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to the Issuer for any payment which such Holder may be entitled to collect, and all liability of the Trustee or any paying agent with respect to such moneys shall thereupon cease.

The Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 9.01 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of Outstanding Securities.

## ARTICLE 10

### MISCELLANEOUS PROVISIONS

Section 10.01. Incorporators, Stockholders, Members, Officers and Directors of Issuer Exempt from Individual Liability. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, as such or against any past, present or future stockholder (except in a stockholder's corporate capacity as Guarantor), member, officer or director, as such, of the Issuer or the Guarantor or of any successor, either directly or through the Issuer or the Guarantor, as the case may be, or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities by the holders thereof and as part of the consideration for the issue of the Securities.

Section 10.02. Provisions of Indenture for the Sole Benefit of Parties and Securityholders. Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give to any person, firm or corporation, other than the parties hereto and their successors and the Holders of the Securities, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors and of the Holders of the Securities.

Section 10.03. Successors and Assigns of Issuer and Guarantor Bound by Indenture. All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Issuer shall bind its successors and assigns, whether so expressed or not. All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Guarantor shall bind its successors and assigns, whether so expressed or not.

Section 10.04. Notices and Demands on Issuer, Trustee and Securityholders. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Securities to or on the Issuer or the Guarantor may be given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided herein) addressed (until another address is filed with the Trustee) as follows:

If to the Issuer:

Teva Pharmaceutical Finance III B.V.  
c/o Teva Pharmaceuticals USA, Inc.  
1090 Horsham Road  
North Wales, PA 19454  
Deborah A. Griffin  
Fax: (215) 591-8807

with a copy to:

Teva Pharmaceutical Finance III B.V.  
Schottegatweg Oost 29D  
Curaçao  
Attn: George Bergmann  
Fax: 599-9736-7066

with a copy to:

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019  
Attn: Jeffrey S. Hochman  
Fax: (212) 728-8111

If to the Guarantor:

Teva Pharmaceutical Industries Limited  
5 Basel Street  
P.O. Box 3190  
Petach Tikva 49131  
Israel  
Attn: Eyal Desheh  
Fax: 972-3-914-8700

with a copy to:

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019  
Attn: Jeffrey S. Hochman  
Fax: (212) 728-8111

Any notice, direction, request or demand by the Issuer, the Guarantor or any Securityholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if delivered in person or mailed by first-class mail to the Trustee at 101 Barclay Street, Floor 4E, New York, NY 10286, Attention: Corporate Trust Administration – Global Finance Unit.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods. If the party elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent

written instruction. Each other party agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

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

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impracticable to mail notice to the Issuer, the Guarantor or Securityholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

Notwithstanding anything to the contrary contained herein, as long as the Securities are in the form of a Registered Global Security, notice to the Holders may be made electronically in accordance with procedures of the Depositary.

Section 10.05. Officers' Certificates and Opinions of Counsel; Statements to be Contained Therein. Upon any application or demand by the Issuer or the Guarantor to the Trustee to take any action under any of the provisions of this Indenture, the Issuer or the Guarantor, as the case may be, shall furnish to the Trustee an Officers' Certificate or Guarantor's Officers' Certificate, as the case may be, stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person making such certificate or opinion has read such covenant or condition, (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 such person, 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 or not, in the opinion of such person, such condition or covenant has been complied with.

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

unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate, statement or opinion of an officer of the Issuer or the Guarantor or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Issuer, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

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

Section 10.06. Payments Due on Saturdays, Sundays and Holidays. If the date of maturity of interest on or principal of the Securities of any series or the date fixed for redemption or repayment of any such Security shall not be a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 10.07. Conflict of any Provision of Indenture with Trust Indenture Act of 1939. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939 (an "incorporated provision"), such incorporated provision shall control.

Section 10.08. New York Law to Govern. This Indenture and each Security shall be deemed to be a contract under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of such State.

Section 10.09. Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 10.10. Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 10.11. Securities in a Non-U.S. Currency. Unless otherwise specified in an Officers' Certificate delivered pursuant to Section 2.03 of this Indenture with respect to a particular series of Securities, whenever for purposes of this Indenture any action may be taken by the Holders of a specified percentage in aggregate principal amount of Securities of all series or all series affected by a particular action at the time Outstanding and, at such time, there are Outstanding Securities of any series which are denominated in a coin or currency other than Dollars, then the principal amount of Securities of such series which shall be deemed to be Outstanding for the purpose of taking such action shall be that amount of Dollars that could be obtained for such amount at the Market Exchange Rate. For purposes of this Section 10.11, Market Exchange Rate shall mean the noon Dollar buying rate in New York City for cable transfers of that currency as published by the Federal Reserve Bank of New York. If such Market Exchange Rate is not available for any reason with respect to such currency, the Issuer shall use, in good faith and its reasonable discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in The City of New York or in the country of issue of the currency in question, or such other quotations as

the Issuer shall in its commercially reasonable judgment deem appropriate. The provisions of this paragraph shall apply in determining the equivalent principal amount in respect of Securities of a series denominated in a currency other than Dollars in connection with any action taken by Holders of Securities pursuant to the terms of this Indenture.

All decisions and determinations of the Issuer regarding the Market Exchange Rate or any alternative determination provided for in the preceding paragraph shall be in its commercially reasonable judgment and shall, in the absence of manifest error, be conclusive to the extent permitted by law for all purposes and irrevocably binding upon the Issuer and all Holders.

Section 10.12. Submission to Jurisdiction. Each of the Issuer and the Guarantor agrees that any legal suit, action or proceeding arising out of or based upon this Indenture may be instituted in any federal or state court sitting in New York City, and, to the fullest extent permitted by law, waives any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the jurisdiction of such court in any suit, action or proceeding. Each of the Issuer and the Guarantor, as long as any of the Securities remain Outstanding or the parties hereto have any obligation under this Indenture, shall have an authorized agent (the "Authorized Agent") in the United States upon whom process may be served in any such legal action or proceeding. Service of process upon such agent and written notice of such service mailed or delivered to it shall to the extent permitted by law be deemed in every respect effective service of process upon it in any such legal action or proceeding. The Issuer and the Guarantor each hereby appoints Teva Pharmaceuticals USA, Inc., 1090 Horsham Road, North Wales, PA 19454, as its agent for such purposes, and covenants and agrees that service of process in any legal action or proceeding may be made upon it at such office of such agent.

Section 10.13. Judgment Currency. Each of the Issuer and the Guarantor agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due in respect of the principal of or interest on the Securities of any series (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in The City of New York the Required Currency with the Judgment Currency on the day on which final unappealable judgment is entered, unless such day is not a New York Banking Day, then, to the extent permitted by applicable law, the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in The City of New York the Required Currency with the Judgment Currency on the New York Banking Day preceding the day on which final unappealable judgment is entered and (b) its obligations under this Indenture to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture. For purposes of the foregoing, "New York Banking Day" means any day except a Saturday, Sunday or a legal holiday in The City of New York or a day on which banking institutions in The City of New York are authorized or required by law or executive order to close.

Section 10.14. Waiver of Jury Trial. EACH OF THE ISSUER, THE GUARANTOR AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTION CONTEMPLATED HEREBY.

## ARTICLE 11

### REDEMPTION OF SECURITIES AND SINKING FUNDS

Section 11.01. Applicability Of Article. The provisions of this Article shall be applicable to the Securities of any series which are redeemable before their maturity or to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 2.03 for Securities of such series.

Section 11.02. Notice Of Redemption; Partial Redemptions. Notice of redemption to the Holders of Securities of any series to be redeemed as a whole or in part at the option of the Issuer shall be given by mailing notice of such redemption by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to such Holders of Securities of such series at their last addresses as they shall appear upon the registry books. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice by mail, or any defect in the notice to the Holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security of such series. Any such notice of redemption shall also be given to the Trustee in the manner provided in Section 10.04 hereof at least 30 days and not more than 60 days prior to the date fixed for redemption.

The notice of redemption to each such Holder shall specify the principal amount of each Security of such series held by such Holder to be redeemed, the CUSIP number (if any), the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of such Securities, that such redemption is pursuant to the mandatory or optional sinking fund, or both, if such be the case, that interest accrued to the date fixed for redemption will be paid as specified in such notice and that on and after said date interest thereon or on the portions thereof to be redeemed will cease to accrue. In case any Security of a series is to be redeemed in part the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities of such series in principal amount equal to the unredeemed portion thereof will be issued.

The notice of redemption of Securities of any series to be redeemed at the option of the Issuer shall be given by the Issuer or, at the Issuer's request delivered to the Trustee at least 5 days before the date such notice is to be given (unless a shorter period shall be acceptable to the Trustee), by the Trustee in the name and at the expense of the Issuer.

On or before the redemption date specified in the notice of redemption given as provided in this Section, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in Section 3.04) an amount of money or other property sufficient to redeem on the redemption date all the Securities of such series so called for redemption at the appropriate redemption price, together with accrued interest to the date fixed for redemption. If less than all the outstanding Securities of a series are to be redeemed, the Issuer will deliver to the Trustee at least 70 days prior to the date fixed for redemption an Officers' Certificate stating the aggregate principal amount of Securities to be redeemed.

If less than all the Securities of a series are to be redeemed, the Trustee shall select, in such manner as it shall deem appropriate and fair, Securities of such series to be redeemed in whole or in

part. Securities may be redeemed in part in multiples equal to the minimum authorized denomination for Securities of such series or any multiple thereof. The Trustee shall promptly notify the Issuer in writing of the Securities of such series selected for redemption and, in the case of any Securities of such series selected for partial redemption, 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 Securities of any series shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

Section 11.03. Payment of Securities Called for Redemption. If notice of redemption has been given as above provided, the Securities or portions of Securities specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption, and on and after said date (unless the Issuer shall default in the payment of such Securities at the redemption price, together with interest accrued to said date) interest on the Securities or portions of Securities so called for redemption shall cease to accrue and, except as provided in Sections 5.05 and 9.04, such Securities shall cease from and after the date fixed for redemption to be entitled to any benefit or security under this Indenture, and the Holders thereof shall have no right in respect of such Securities except the right to receive the redemption price thereof and unpaid interest to the date fixed for redemption. On presentation and surrender of such Securities at a place of payment specified in said notice, said Securities or the specified portions thereof shall be paid and redeemed by the Issuer at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption; provided that any semiannual payment of interest becoming due on the date fixed for redemption shall be payable to the Holders of such Securities registered as such on the relevant record date subject to the terms and provisions of Sections 2.03 and 2.04 hereof.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the date fixed for redemption at the rate of interest or Yield to Maturity (in the case of an Original Issue Discount Security) borne by such Security.

Upon presentation of any Security redeemed in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to or on the order of the Holder thereof, at the expense of the Issuer, a new Security or Securities of such series, of authorized denominations, in principal amount equal to the unredeemed portion of the Security so presented.

Section 11.04. Exclusion of Certain Securities from Eligibility for Selection for Redemption. Securities shall be excluded from eligibility for selection for redemption if they are identified by registration and certificate number in a written statement signed by an authorized officer of the Issuer and delivered to the Trustee at least 40 days prior to the last date on which notice of redemption may be given as being owned of record and beneficially by, and not pledged or hypothecated by either (a) the Issuer or (b) an entity specifically identified in such written statement as directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer.

Section 11.05. Mandatory and Optional Sinking Funds. The minimum amount of any sinking fund payment provided for by the terms of the Securities of any series is herein referred to as a “mandatory sinking fund payment”, and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an “optional sinking fund payment”. The date on which a sinking fund payment is to be made is herein referred to as the “sinking fund payment date”.

In lieu of making all or any part of any mandatory sinking fund payment with respect to any series of Securities in cash, the Issuer may at its option (a) deliver to the Trustee Securities of such series theretofore purchased or otherwise acquired (except upon redemption pursuant to the mandatory sinking fund) by the Issuer or receive credit for Securities of such series (not previously so credited) theretofore purchased or otherwise acquired (except as aforesaid) by the Issuer and delivered to the Trustee for cancellation pursuant to Section 2.10, (b) receive credit for optional sinking fund payments (not previously so credited) made pursuant to this Section, or (c) receive credit for Securities of such series (not previously so credited) redeemed by the Issuer through any optional redemption provision contained in the terms of such series. Securities so delivered or credited shall be received or credited by the Trustee at the sinking fund redemption price specified in such Securities.

On or before the 60th day next preceding each sinking fund payment date for any series, the Issuer will deliver to the Trustee a written statement (which need not contain the statements required by Section 10.05) signed by an authorized officer of the Issuer (a) specifying the portion of the mandatory sinking fund payment to be satisfied by payment of cash and the portion to be satisfied by credit of Securities of such series, (b) stating that none of the Securities of such series has theretofore been so credited, (c) stating that no defaults in the payment of interest or Events of Default with respect to such series have occurred (which have not been waived or cured) and are continuing and (d) stating whether or not the Issuer intends to exercise its right to make an optional sinking fund payment with respect to such series and, if so, specifying the amount of such optional sinking fund payment which the Issuer intends to pay on or before the next succeeding sinking fund payment date. Any Securities of such series to be credited and required to be delivered to the Trustee in order for the Issuer to be entitled to credit therefor as aforesaid which have not theretofore been delivered to the Trustee shall be delivered for cancellation pursuant to Section 2.10 to the Trustee with such written statement (or reasonably promptly thereafter if acceptable to the Trustee). Such written statement shall be irrevocable and upon its receipt by the Trustee the Issuer shall become unconditionally obligated to make all the cash payments or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. Failure of the Issuer, on or before any such 60th day, to deliver such written statement and Securities specified in this paragraph, if any, shall not constitute a default but shall constitute, on and as of such date, the irrevocable election of the Issuer (i) that the mandatory sinking fund payment for such series due on the next succeeding sinking fund payment date shall be paid entirely in cash without the option to deliver or credit Securities of such series in respect thereof and (ii) that the Issuer will make no optional sinking fund payment with respect to such series as provided in this Section.

If the sinking fund payment or payments (mandatory or optional or both) to be made in cash on the next succeeding sinking fund payment date plus any unused balance of any preceding sinking fund payments made in cash shall exceed \$50,000 (or a lesser sum if the Issuer shall so request in writing to the Trustee specifying such lesser amount) with respect to the Securities of any particular series, such cash shall be applied on the next succeeding sinking fund payment date to the redemption of Securities of such series at the sinking fund redemption price together with accrued interest to the date fixed for redemption. If such amount shall be \$50,000 or less and the Issuer makes no such request then it shall be carried over until a sum in excess of \$50,000 is available. The Trustee shall select, in the manner provided in Section 11.02, for redemption on such sinking fund payment date a sufficient principal amount of Securities of such series to absorb said cash, as nearly as may be, and shall (if requested in writing by the Issuer) inform the Issuer of the serial numbers of the Securities of such series (or portions thereof) so selected. Securities of any series which are (a) owned by the Issuer or an entity known by a Responsible Officer of the Trustee to be directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, as shown by the Security register, and not known to a Responsible Officer of the Trustee to have been pledged or hypothecated by the Issuer or any such entity or (b) identified in an Officers' Certificate at least 60 days prior to the sinking fund payment date as being beneficially owned by, and not pledged or hypothecated by, the Issuer or an entity directly or indirectly

controlling or controlled by or under direct or indirect common control with the Issuer shall be excluded from Securities of such series eligible for selection for redemption. The Trustee, in the name and at the expense of the Issuer (or the Issuer, if it shall so request the Trustee in writing) shall cause notice of redemption of the Securities of such series to be given in substantially the manner provided in Section 11.02 (and with the effect provided in Section 11.03) for the redemption of Securities of such series in part at the option of the Issuer. The amount of any sinking fund payments not so applied or allocated to the redemption of Securities of such series shall be applied to the next cash sinking fund payment for such series and, together with such payment, shall be applied in accordance with the provisions of this Section. Any and all sinking fund moneys held on the stated maturity date of the Securities of any particular series (or earlier, if such maturity is accelerated), which are not held for the payment or redemption of particular Securities of such series shall be applied, together with other moneys, if necessary, sufficient for the purpose, to the payment of the principal of, and interest on, the Securities of such series at maturity.

On or before the Business Day prior to each sinking fund payment date, the Issuer shall pay to the Trustee in cash or shall otherwise provide for the payment of all interest accrued to the date fixed for redemption on Securities to be redeemed on the next following sinking fund payment date.

The Trustee shall not redeem or cause to be redeemed any Securities of a series with sinking fund moneys or give any notice of redemption of Securities for such series by operation of the sinking fund during the continuance of a default in payment of interest on such Securities or of any Event of Default except that, where the mailing of notice of redemption of any Securities shall theretofore have been made, the Trustee shall redeem or cause to be redeemed such Securities, provided that it shall have received from the Issuer a sum sufficient for such redemption. 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 the sinking fund, shall, during the continuance of such default or Event of Default, be deemed to have been collected under Article 4 and held for the payment of all such Securities. In case such Event of Default shall have been waived as provided in Section 4.10 or the default cured on or before the 60th day preceding the sinking fund payment date in any year, such moneys shall thereafter be applied on the next succeeding sinking fund payment date in accordance with this Section to the redemption of such Securities.

## ARTICLE 12

### GUARANTEE

Section 12.01. The Guarantee. The Guarantor hereby unconditionally guarantees to each Holder of a Security authenticated and delivered by the Trustee the due and punctual payment of the principal of, any premium and interest on, and any additional amounts with respect to such Security and the due and punctual payment of the sinking fund payments (if any) provided for pursuant to the terms of such Security, when and as the same shall become due and payable, whether at maturity, by acceleration, redemption, repayment or otherwise, in accordance with the terms of such Security and of this Indenture. In case of the failure of the Issuer punctually to pay any such principal, premium, interest, additional amounts or sinking fund payment, the Guarantor hereby agrees to cause any such payment to be made punctually when and as the same shall become due and payable, whether at maturity, upon acceleration, redemption, repayment or otherwise, and as if such payment were made by the Issuer.

Section 12.02. Net Payments. Except as otherwise provided in any indenture supplemental hereto, all payments of principal of and premium, if any, interest and any other amounts on, or in respect of, the Securities of any series shall be made by the Guarantor without withholding or deduction at source for, or on account of, any present or future taxes, fees, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the State of Israel (the

“taxing jurisdiction”) or any political subdivision or taxing authority thereof or therein, unless such taxes, fees, duties, assessments or governmental charges are required to be withheld or deducted by (i) the laws (or any regulations or ruling promulgated thereunder) of a taxing jurisdiction or any political subdivision or taxing authority thereof or therein or (ii) an official position regarding the application, administration, interpretation or enforcement of any such laws, regulations or rulings (including, without limitation, a holding by a court of competent jurisdiction or by a taxing authority in a taxing jurisdiction or any political subdivision thereof). If a withholding or deduction at source is required, the Guarantor shall, subject to certain limitations and exceptions set forth below, pay to the Holder of any such Security such additional amounts as may be necessary so that every net payment of principal, premium, if any, interest or any other amount made to such Holder, after such withholding or deduction, shall not be less than the amount provided for in such Security, and this Indenture to be then due and payable; provided, however, that the Guarantor shall not be required to make payment of such additional amounts for or on account of:

(a) any tax, fee, duty, assessment or governmental charge of whatever nature which would not have been imposed but for the fact that such Holder: (A) was a resident, domiciliary or national of, or engaged in business or maintained a permanent establishment or was physically present in, the relevant taxing jurisdiction or any political subdivision thereof or otherwise had some connection with the relevant taxing jurisdiction other than by reason of the mere ownership of, or receipt of payment under, such Security; (B) presented such Security for payment in the relevant taxing jurisdiction or any political subdivision thereof, unless such Security could not have been presented for payment elsewhere; or (C) presented such Security more than 30 days after the date on which the payment in respect of such Security first became due and payable or provided for, whichever is later, except to the extent that the Holder would have been entitled to such additional amounts if it had presented such Security for payment on any day within such period of 30 days;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any tax, assessment or other governmental charge that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of such Security to comply with any reasonable request by the Guarantor addressed to the Holder within 90 days of such request (A) to provide information concerning the nationality, residence or identity of the Holder or such beneficial owner or (B) to make any declaration or other similar claim or satisfy any information or reporting requirement, which, in the case of (A) or (B), is required or imposed by statute, treaty, regulation or administrative practice of the relevant taxing jurisdiction or any political subdivision thereof as a precondition to exemption from all or part of such tax, assessment or other governmental charge; or

(d) any combination of items (a), (b) and (c);

nor shall additional amounts be paid with respect to any payment of the principal of, or premium, if any, interest or any other amounts on, any such Security to any Holder who is a fiduciary or partnership or other than the sole beneficial owner of such Security to the extent such payment would be required by the laws of the relevant taxing jurisdiction (or any political subdivision or relevant taxing authority thereof or therein) to be included in the income for tax purposes of a beneficiary or partner or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such additional amounts had it been the Holder of the Security.

Section 12.03. Guarantee Unconditional, etc. The Guarantor hereby agrees that its obligations hereunder shall be as principal and not merely as surety, and shall be absolute, irrevocable and unconditional, irrespective of, and shall be unaffected by, any invalidity, irregularity or unenforceability of any Security or this Indenture, any failure to enforce the provisions of any Security or this Indenture, or

any waiver, modification, consent or indulgence granted with respect thereto by the Holder of such Security or the Trustee, the recovery of any judgment against the Issuer or any action to enforce the same, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger, insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to any such Security or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Guarantee will not be discharged except by payment in full of the principal of, any premium and interest on, and any additional amounts and sinking fund payments required with respect to, the Securities and the complete performance of all other obligations contained in the Securities and this Indenture, as supplemented and amended from time to time. The Guarantor further agrees, to the fullest extent that it lawfully may do so, that, as between the Guarantor, on the one hand, and the Holders and the Trustee, on the other hand, the maturity of the obligations guaranteed hereby may be accelerated as provided in Section 4.01 hereof for the purposes of this Guarantee, notwithstanding any stay, injunction or prohibition extant under any bankruptcy, insolvency, reorganization or other similar law of any jurisdiction preventing such acceleration in respect of the obligations guaranteed hereby.

Section 12.04. Reinstatement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time payment on any Security, in whole or in part, is rescinded or must otherwise be restored to the Issuer or the Guarantor upon the bankruptcy, liquidation or reorganization of the Issuer or otherwise.

Section 12.05. Subrogation. The Guarantor shall be subrogated to all rights of the Holder of any Security against the Issuer in respect of any amounts paid to such Holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of or based upon, such right of subrogation until the principal of, any premium and interest on, and any additional amounts and sinking fund payments required with respect to, all Securities shall have been paid in full.

Section 12.06. Assumption by Guarantor.

(a) The Guarantor may, without the consent of the Holders, assume all of the rights and obligations of the Issuer hereunder with respect to a series of Securities and under the Securities of such series if, after giving effect to such assumption, no Event of Default or event which with the giving of notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing. Upon such an assumption, the Guarantor shall execute a supplemental indenture evidencing its assumption of all such rights and obligations of the Issuer and the Issuer shall be released from its liabilities hereunder and under such Securities as obligor on the Securities of such Series.

(b) The Guarantor shall assume all of the rights and obligations of the Issuer hereunder with respect to a series of Securities and under the Securities of such series if, upon a default by the Issuer in the due and punctual payment of the principal, sinking fund payment, if any, premium, if any, or interest on such Securities, the Guarantor is prevented by any court order or judicial proceeding from fulfilling its obligations under Section 12.01 with respect to such series of Securities. Such assumption shall result in the Securities of such series becoming the direct obligations of the Guarantor and shall be effected without the consent of the Holders of the Securities of any Series. Upon such an assumption, the Guarantor shall execute a supplemental indenture evidencing its assumption of all such rights and obligations of the Issuer, and the Issuer shall be released from its liabilities hereunder and under such Securities as obligor on the Securities of such Series.

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

TEVA PHARMACEUTICAL FINANCE III B.V.

By: /s/ George Bergmann  
*Name:* George Bergmann  
*Title:* Managing Director

By: /s/ Edgard Lotman  
*Name:* Edgard Lotman  
*Title:* Supervisory Director

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

By: /s/ Kobi Altman  
*Name:* Kobi Altman  
*Title:* Vice President – Finance

By: /s/ Eran Ezra  
*Name:* Eran Ezra  
*Title:* Treasurer

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ John T. Needham, Jr.  
*Name:* John T. Needham, Jr.  
*Title:* Vice President

TEVA PHARMACEUTICAL FINANCE III B.V.,

as Issuer

TEVA PHARMACEUTICAL INDUSTRIES LIMITED,

as Guarantor

and

THE BANK OF NEW YORK MELLON,

as Trustee

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FIRST SUPPLEMENTAL SENIOR INDENTURE

Dated as of March 21, 2011

to the Senior Indenture dated as of March 21, 2011

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Creating the series of Securities (as defined herein) designated

Floating Rate Senior Notes due 2014

and

1.700% Senior Notes due 2014

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EXHIBITS

EXHIBIT A: Form of Floating Rate Senior Notes due 2014

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FIRST SUPPLEMENTAL SENIOR INDENTURE, dated as of March 21, 2011, among Teva Pharmaceutical Finance III B.V., a Curaçao private limited liability company (the “Issuer”), Teva Pharmaceutical Industries Limited, a corporation incorporated under the laws of Israel (the “Guarantor”), and The Bank of New York Mellon, a New York banking corporation, as trustee (the “Trustee”),

**W I T N E S S E T H:**

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee a Senior Debt Indenture, dated as of March 21, 2011 (the “Base Indenture”), providing for the issuance from time to time of one or more series of its senior unsecured debentures, notes or other evidences of indebtedness (the “Securities”);

WHEREAS, Section 7.01(e) of the Base Indenture provides that the Issuer, the Guarantor and the Trustee may from time to time enter into one or more indentures supplemental thereto to establish the form or terms of Securities of a new series;

WHEREAS, the Issuer, pursuant to the foregoing authority, proposes in and by this First Supplemental Senior Indenture (the “Supplemental Indenture” and, together with the Base Indenture, the “Indenture”) to supplement the Base Indenture insofar as it will apply only to the Floating Rate Senior Notes due 2014 (the “Floating Rate Notes”) and the 1.700% Senior Notes due 2014 (the “Fixed Rate Notes” and, together with the Floating Rate Notes, the “Notes”) issued hereunder (and not to any other series of Securities); and

WHEREAS, all things necessary have been done to make the Notes of each series, when executed by the Issuer and authenticated and delivered hereunder and duly issued by the Issuer, the valid obligations of the Issuer, and to make this Supplemental Indenture a valid agreement of the Issuer, in accordance with their and its terms;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchases of the Notes of each series by the holders thereof, the Issuer, the Guarantor and the Trustee mutually covenant and agree for the equal and proportionate benefit of the respective Holders from time to time of the Notes of each series as follows:

**ARTICLE 1**

**DEFINITIONS AND INCORPORATION BY REFERENCE**

Section 1.1 Definitions.

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Base Indenture unless otherwise indicated. For all purposes of this Supplemental Indenture and the Notes of each series, the following terms are defined as follows:

“Add On Notes” means any Floating Rate Notes or Fixed Rate Notes, as the case may be, originally issued after the date hereof pursuant to Section 2.8, including any replacement Notes of such series as specified in the relevant Add On Note Board Resolutions or Add On Note supplemental indenture issued therefor in accordance with the Base Indenture.

“Additional Tax Amounts” has the meaning specified in Section 3.1.

“Agent Member” has the meaning specified in Section 2.5.

“Authorized Agent” has the meaning specified in Section 6.11.

“Board” means the board of managing or supervisory directors of the Issuer, or any other body or Person authorized by the organizational documents or by the members of the Issuer to act for it.

“Board Resolution” means one or more resolutions, certified by the secretary of the Board to have been duly adopted or consented to by the Board and to be in full force and effect, and delivered to the Trustee.

“Business Day” means a day other than (i) a Saturday or Sunday, (ii) a day on which banks in New York, New York are authorized or obligated by law or executive order to remain closed, or (iii) a day on which the Trustee’s Corporate Trust Office is closed for business.

“Calculation Agent” means The Bank of New York Mellon, or its successor appointed by the Issuer, acting as calculation agent.

“Capital Stock” means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Clearstream” means Clearstream Banking, société anonyme.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Fixed Rate Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Fixed Rate Notes.

“Comparable Treasury Price” means, with respect to any Redemption Date, (1) the average of the Reference Treasury Dealer Quotations for such Redemption Date after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

“Consolidated Net Worth” means the stockholders’ equity of the Guarantor and its consolidated subsidiaries, as shown on the audited consolidated balance sheet of the Guarantor’s latest annual report to stockholders, prepared in accordance with GAAP.

“Corporate Trust Office” means the office of the Trustee located in The City of New York at which at any particular time its corporate trust business shall be administered (which at the date of this Indenture is located at 101 Barclay Street, 4<sup>th</sup> Floor East, New York, New York 10286), Attention: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Issuer).

“corporation” means corporations, associations, limited liability companies, companies and business trusts.

“Default” means an event which is, or after notice or lapse of time or both would be, an Event of Default.

“Defaulted Interest” has the meaning specified in Section 2.6.

“Depository” means The Depository Trust Company, its nominees and their respective successors.

“Euroclear” means Euroclear Bank S.A./N.V.

“Event of Default” with respect to the Notes of each series shall not have the meaning assigned to such term by Section 4.01 of the Base Indenture. An Event of Default with respect to the Notes of each series means each one of the following events which shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) the Issuer defaults in the payment of the principal of any of the Notes when it becomes due and payable at Maturity, upon redemption or otherwise;

(b) the Issuer defaults in the payment of interest (including Additional Tax Amounts, if any) on any of the Notes when it becomes due and payable and such default continues for a period of 30 days;

(c) the Guarantor fails to perform under the Guarantee relating to such series;

(d) except as otherwise permitted by the Indenture, the Guarantee is held in any final, nonappealable judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or the Guarantor, or any Person acting on behalf of the Guarantor, shall deny or disaffirm its obligations under the Guarantee;

(e) either the Issuer or the Guarantor fails to perform or observe any other term, covenant or agreement contained in the Notes or this Supplemental Indenture and the default continues for a period of 60 days after written notice of such failure, requiring the Issuer or the Guarantor, respectively, to remedy the same, shall have been given to the Issuer or the Guarantor, respectively, by the Trustee or to the Issuer or the Guarantor, respectively, and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes of a given series;

(f)(i) the Issuer or the Guarantor fails to make by the end of the applicable grace period, if any, any payment of principal or interest due in respect of any Indebtedness for borrowed money, the aggregate outstanding principal amount of which is an amount in excess of \$100,000,000; or (ii) there is an acceleration of any Indebtedness for borrowed money in an amount in excess of \$100,000,000 because of a default with respect to such Indebtedness without such Indebtedness having been discharged or such non-payment or acceleration having been cured, waived, rescinded or annulled, in the case of either (i) or (ii) above, for a period of 30 days after written notice to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes of a given series;

(g) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Issuer or the Guarantor as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer or the Guarantor under any applicable U.S. federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor 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 for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(h) the commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated as bankrupt or insolvent, or the consent by the Issuer to the entry of a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer or the Guarantor, or the filing by the Issuer or the Guarantor of a petition or answer or consent seeking reorganization or relief under any applicable U.S. federal or state law, or the consent by the Issuer or the Guarantor to

the filing of such petition or to the appointment of or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor or of any substantial part of its property, or the making by the Issuer or the Guarantor of an assignment for the benefit of creditors, or the admission by the Issuer or the Guarantor in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer or the Guarantor expressly in furtherance of any such action.

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

“Fixed Rate Global Note” has the meaning specified in Section 2.2(b).

“Fixed Rate Note” has the meaning specified to it in the third recital paragraph of this Supplemental Indenture.

“Floating Rate Global Note” has the meaning specified in Section 2.2(b).

“Floating Rate Note” has the meaning specified to it in the third recital paragraph of this Supplemental Indenture.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, as in effect from time to time; *provided, however*, that any change in GAAP that would cause the Guarantor to record an existing item as a liability upon that entity’s balance sheet, which item was not previously required by GAAP to be so recorded, shall not constitute an incurrence of Indebtedness for purposes of this Supplemental Indenture.

“Global Note” has the meaning specified in Section 2.2(b).

“guarantee” means any obligation, contingent or otherwise, of any Person, directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

*provided, however*, that the term “guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “guarantee” used as a verb has a corresponding meaning.

“Guarantees” means the guarantees of the Guarantor in the form provided in Section 2.4.

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

“Holder,” “Holder of Notes” or other similar terms means the registered holder of any Note.

“Indebtedness” means, with respect to any Person:

(1) any liability for borrowed money, or evidenced by an instrument for the payment of money, or incurred in connection with the acquisition of any property, services or assets (including securities), or relating to a capitalized lease obligation, other than accounts payable or any other indebtedness to trade creditors created or assumed by such Person in the ordinary course of business in connection with the obtaining of materials or services;

(2) obligations under exchange rate contracts or interest rate protection agreements;

(3) any obligations to reimburse the issuer of any letter of credit, surety bond, performance bond or other guarantee of contractual performance;

(4) any liability of another Person of the type referred to in clause (1), (2) or (3) of this definition which has been assumed or guaranteed by such Person; and

(5) any obligations described in clauses (1) through (3) of this definition secured by any mortgage, pledge, lien or other encumbrance existing on property which is owned or held by such Person, regardless of whether the indebtedness or other obligation secured thereby shall have been assumed by such Person.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by the Issuer.

“Interest Determination Date” means the second London Business Day immediately preceding the first day of the relevant Interest Period.

“Interest Payment Date” means, for the Floating Rate Notes, each of March 21, June 21, September 21 and December 21 of each year, beginning June 21, 2011, and for the Fixed Rate Notes each of March 21 and September 21, beginning September 21, 2011; *provided, however*, in each case, that if any such date is not a Business Day, the Interest Payment Date shall be the next succeeding Business Day.

“Interest Period” means the period commencing on an Interest Payment Date for the Floating Notes (or, with respect to the initial Interest Period only, commencing on the issue date for such Notes) and ending on the day before the next succeeding Interest Payment Date for the Floating Rate Notes.

“Interest Rate” means (a) three-month LIBOR (calculated as set forth in Section 2.1(e) herein) plus 0.500% per annum in the case of the Floating Rate Notes and (b) 1.700% per annum in the case of the Fixed Rate Notes.

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

“Issuer Order” means a written order signed in the name of the Issuer by any Officer of the Issuer or a duly authorized Attorney-in-Fact of the Issuer, and delivered to the Trustee.

“LIBOR” means, with respect to any Interest Period with respect to the Floating Rate Notes, the rate (expressed as a percentage per annum) for deposits in U.S. dollars for a three-month period commencing on the first day of that Interest Period and ending on the next Interest Payment Date that appears on Reuters LIBOR01 Page as of 11:00 a.m. (London time) on the Interest Determination Date for that Interest Period. If such rate does not appear on the Reuters LIBOR01 Page as of 11:00 a.m. (London time) on the Interest Determination Date for that Interest Period, LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for the Interest Period and in a principal amount of not less than \$1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market, which may include affiliates of one or more of the Underwriters, selected by the Issuer, at approximately 11:00 a.m., London time, on the Interest Determination Date for that Interest Period. The Issuer will request the principal London office of each such bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR with respect to that Interest Period will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR with respect to that Interest Period will be the arithmetic mean of the rates quoted by three major banks in New York City, which may include affiliates of one or more of the Underwriters, selected by the Issuer, at approximately 11:00 a.m., New York City time, on the first day of that Interest Period for loans in U.S. dollars to leading European banks for that Interest Period and in a principal amount of not less than \$1,000,000. However, if fewer than three banks selected by the Issuer to provide quotations are quoting as described above, LIBOR for that Interest Period will be the same as LIBOR as determined for the previous Interest Period.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“London Business Day” means a day that is a Business Day and a day on which dealings in deposits in U.S. dollars are transacted, or with respect to any future date are expected to be transacted, in the London interbank market.

“Maturity” means the date on which the principal of the Notes of a given series becomes due and payable as therein or herein provided, whether at the Stated Maturity or by acceleration, call for redemption or otherwise.

“Note” or “Notes” has the meaning specified to it in the third recital paragraph of this Supplemental Indenture.

“Officer of the Guarantor” and “Officer of the Issuer” mean the Chairman of the Board, the Chief Executive Officer, Chief Operating Officer, the President, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, any Vice President, the Secretary or any Assistant Secretary of the Guarantor and of the Issuer, respectively, any managing director or supervisory director of the Issuer, or a duly authorized Attorney-in-Fact.

“Paying Agent” means an office or agency where Notes may be presented for payment. The term “Paying Agent” includes any additional paying agent.

“Permitted Liens” means:

- (1) Liens existing on the date of this Supplemental Indenture;
- (2) Liens on property created prior to, at the time of or within 120 days after the date of acquisition, completion of construction or completion of improvement of such property to secure all or part of the cost of acquiring, constructing or improving all or any part of such property;
- (3) landlord’s, material men’s, carriers’, workmen’s, repairmen’s and other like Liens arising in the ordinary course of business in respect of obligations which are not overdue or which are being contested in good faith in appropriate proceedings;
- (4) Liens on property of any Person existing at the time such Person became or becomes a subsidiary of the Guarantor (provided that the Lien has not been created or assumed in contemplation of such Person becoming a subsidiary of the Guarantor);
- (5) Liens securing Indebtedness of a subsidiary to the Guarantor or to one or more of its subsidiaries;
- (6) Liens in favor of the United States of America, or any State or agency thereof or of any foreign country, or any agency, department or other instrumentality thereof, to secure progress, advance or other payments or obligations pursuant to any contract or provision of any statute; or

- (7) any extension, renewal, substitution or replacement (or successive extensions, renewals, substitutions or replacements), as a whole or in part, of any Lien referred to in the foregoing clauses (1) to (6), inclusive, or the Indebtedness secured thereby; *provided, however*, that (i) the principal amount of Indebtedness secured thereby and not otherwise authorized by said clauses (1) to (6), inclusive, shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal, substitution or replacement; and (ii) any such extension, renewal, substitution or replacement Lien shall be limited to the property covered by the Lien extended, renewed, substituted or replaced.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Physical Notes” means Notes of either series issued in definitive, fully registered form without interest coupons, substantially in the forms of Exhibits A and B hereto, respectively.

“Primary Treasury Dealer” has the meaning assigned to it in the definition of Reference Treasury Dealer.

“Record Date” means either a Regular Record Date or a Special Record Date, as the case may be.

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

“Redemption Price,” when used with respect to any Fixed Rate Note to be redeemed pursuant to Section 4.1 of this Supplemental Indenture, means the amount equal to the greater of (1) 100% of the principal amount of the Fixed Rate Notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments discounted, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate and 12.5 basis points, and when used with respect to any Note to be redeemed pursuant to Section 4.4 of this Supplemental Indenture, means the amount equal to 100% of the principal amount thereof.

“Reference Treasury Dealer” means each of Barclays Capital Inc., Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, and their respective successors and two other primary U.S. Government securities dealers (each, a “Primary Treasury Dealer”) selected by the Issuer. If any of the foregoing shall cease to be a Primary Treasury Dealer, the Issuer will substitute another nationally recognized investment banking firm that is a Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Registrar” means the office or agency where Notes may be presented for registration of transfer or for exchange.

“Regular Record Date” in respect of the Floating Rate Notes payable means the close of business on the 15th calendar day immediately preceding such Interest Payment Date (whether or not a Business Day), and in respect of interest on the Fixed Rate Notes payable means the March 6 (whether or not a Business Day) next preceding an Interest Payment Date on March 21 and the September 6 (whether or not a Business Day) next preceding an Interest Payment Date on September 21.

“Remaining Scheduled Payments” means, with respect to each Fixed Rate Note to be redeemed, the remaining scheduled payments of principal of and interest on such Fixed Rate Notes that would be due after the related Redemption Date but for such redemption. If such Redemption Date is not an interest payment date with respect to such Fixed Rate Note, the amount of the next succeeding scheduled interest payment on such Fixed Rate Note will be reduced by the amount of interest accrued on such Fixed Rate Notes to such Redemption Date.

“Reuters LIBOR01 Page” means the display designated as page LIBOR01 on the Reuters 3000 Xtra (or such other page as may replace the Reuters LIBOR01 Page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits).

“Sale-Leaseback Transaction” means the sale or transfer by the Guarantor or any subsidiary of any property to a Person and the taking back by the Guarantor or any subsidiary, as the case may be, of a lease of such property.

“Securities Act” means the Securities Act of 1933, as amended.

“Special Record Date” for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 2.6.

“Stated Maturity” means the date specified in any Note as the fixed date for the payment of principal on such Note or on which an installment of interest on such Note is due and payable.

“subsidiary” means, with respect to any Person, a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by such Person or by one or more other subsidiaries, or by such Person and one or more other subsidiaries. For the purposes of this definition only, “voting stock” means stock which ordinarily 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.

“Taxing Jurisdiction” means Curaçao, Israel or any jurisdiction where a successor to Teva Finance or Teva is incorporated or organized or considered to be a resident, if other than Curaçao or Israel, respectively, or any jurisdiction through which payments will be made

“TIA” means the Trust Indenture Act of 1939, as amended, as in effect on the date of this Supplemental Indenture; *provided, however*, that in the event the TIA is amended after such date, “TIA” means, to the extent such amendment is applicable to this Supplemental Indenture and the Base Indenture, the Trust Indenture Act of 1939, as so amended, or any successor statute.

“Treasury Rate” means, with respect to any Redemption Date, the rate per year equal to the semi-annual equivalent yield to maturity (computed as of the second Business Day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

“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 Supplemental Indenture, and thereafter “Trustee” shall mean such successor Trustee.

“U.S. Dollar” means the coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

“Underwriters” means the underwriters named in Schedule I to the Underwriting Agreement.

“Underwriting Agreement” means the Underwriting Agreement, dated March 16, 2011 among the Issuer, the Guarantor and the Underwriters.

“Vice President,” when used with respect to the Issuer or the Guarantor, as the case may be, 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 1.2 Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Supplemental Indenture.

The following TIA terms used in this Indenture have the following meanings:

“indenture securities” means the Notes of each series and the Guarantees;

“indenture security holder” means a Holder;

“indenture to be qualified” means this Supplemental Indenture;

“indenture trustee” or “institutional trustee” means the Trustee; and

“obligor” on the Notes of each series means the Issuer and on the Guarantee means the Guarantor and any other obligor on the indenture securities.

All other TIA terms used in this Supplemental Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

### Section 1.3 Rules of Construction.

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

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

(2) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with accounting principles generally accepted in the United States prevailing at the time of any relevant computation hereunder; and

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

## **ARTICLE 2**

### **THE NOTES AND THE GUARANTEES**

#### Section 2.1 Title and Terms.

(a) The Floating Rate Notes and the Fixed Rate Notes shall be known and designated as the “Floating Rate Senior Notes due 2014” and the “1.700% Senior Notes due 2014” of the Issuer, respectively. The aggregate principal amount of the Floating Rate Notes that may be authenticated and delivered under this Supplemental Indenture is limited to \$500,000,000 and the aggregate principal amount of the Fixed Rate Notes that may be authenticated and delivered under this Supplemental Indenture is limited to \$250,000,000, except, in each case, for Add On Notes of the applicable series issued in accordance with Section 2.8 and Notes of either series authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, other Notes of the same series pursuant to Section 2.5. The Notes of each series shall be issuable in minimum denominations of \$2,000 principal amount and integral multiples of \$1,000 in excess of \$2,000.

(b) The Floating Rate Notes shall mature on March 21, 2014 and the Fixed Rate Notes shall mature on March 21, 2014.

(c) Interest on the Notes of each series shall accrue from March 21, 2011 at the Interest Rate applicable to Notes of such series until the principal thereof is paid or made available for payment. Interest shall be payable in arrears on each Interest Payment Date, quarterly in the case of the Floating Rate Notes and semiannually in the case of the Fixed Rate Notes as further provided herein.

(d) Interest on the Floating Rate Notes shall be computed on the basis of the actual number of days elapsed over a 360-day year. Interest on the Fixed Rate Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) The Floating Rate Notes shall bear interest for each Interest Period at a per annum rate determined by the Calculation Agent, subject to the maximum interest rate permitted by New York or other applicable state law, as such law may be modified by United States law of general application, as determined by the Issuer. The Interest Rate applicable to the Floating Rate Notes during each Interest Period shall be equal to LIBOR on the Interest Determination Date for such Interest Period plus 0.500%. Promptly upon such determination, the Calculation Agent shall notify the Issuer and the Trustee, if the Trustee is not then serving as the Calculation Agent, of the Interest Rate for the new Interest Period. The Interest Rate determined by the Calculation Agent, absent manifest error, shall be binding and conclusive upon the beneficial owners and holders of the Floating Rate Notes, the Issuer and the Trustee. Upon the request of a Holder of the Floating Rate Notes, the Calculation Agent shall provide to such holder the Interest Rate in effect on the date of such request and, if determined, the Interest Rate for the next Interest Period. The accrued interest for any period shall be calculated by multiplying the principal amount of a Floating Rate Note by an accrued interest factor. The accrued interest factor shall be computed by adding the interest factor calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal rounded upwards if necessary) shall be computed by dividing the Interest Rate (expressed as a decimal rounded upwards if necessary) applicable to such date by 360. All percentages resulting from any calculation of the Interest Rate on the Floating Rate Notes shall be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655) and 9.876544% (or .09876544) being rounded to 9.87654% (or .0987654)), and all dollar amounts used in or resulting from such calculation shall be rounded to the nearest cent (with one-half cent being rounded upwards).

(f) A Holder of any Note at the close of business on a Regular Record Date shall be entitled to receive interest on such Note on the corresponding Interest Payment Date; *provided* that interest payable in respect of any Floating Rate Notes at the Stated Maturity for principal thereof or any Redemption Date will be paid to the person to whom principal is payable.

(g) Principal of and interest on Global Notes shall be payable to the Depositary in immediately available funds.

(h) Principal on Physical Notes shall be payable at the office or agency of the Issuer maintained for such purpose, initially the Corporate Trust Office of the Trustee. Interest on Physical Notes will be payable by (i) U.S. Dollar check drawn on a bank in The City of New York mailed to the address of the Person entitled thereto as such address shall appear in the register of the Notes, or (ii) upon written application to the Registrar not later than the relevant Record Date by a Holder of an aggregate principal amount of Notes in excess of \$5,000,000, wire transfer in immediately available funds, which application and written wire instructions shall remain in effect until the Holder notifies, in writing, the Registrar to the contrary.

(i) The Notes each series shall be redeemable at the option of the Issuer as provided in Article 4.

## Section 2.2 Form of Notes.

(a) Except as otherwise provided pursuant to this Section 2.2, the Floating Rate Notes and the Fixed Rate Notes are issuable in fully registered form without coupons in substantially the forms of Exhibits A and B hereto, respectively, with such applicable legends as are provided for in Section 2.3. The Notes are not issuable in bearer form. The terms and provisions contained in the respective forms of Notes shall constitute, and are hereby expressly made, a part of this Supplemental Indenture and to the extent applicable, the Issuer, the Guarantor and the Trustee, by their execution and delivery of this Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby. Any of the Notes may have such letters, numbers or other marks of identification and such notations, legends and endorsements as the officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Supplemental Indenture and the Base Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange or automated quotation system on which the Notes of either series may be listed or designated for issuance, or to conform to usage.

(b) The Notes of each series and the Guarantees are being offered and sold by the Issuer pursuant to the Underwriting Agreement. The Notes of each series shall be issued initially in the form of permanent global Notes in fully registered form without interest coupons, substantially in the forms of Exhibits A and B hereto, respectively (with respect to the Floating Rate Notes, the “Floating Rate Global Note” and, with respect to the Fixed Rate Notes, the “Fixed Rate Global Note,” and the Floating Rate Global Note and the Fixed Rate Global Note, collectively, the “Global Notes”), each with the applicable legends as provided in Section 2.3. Each Global Note shall be duly executed by the Issuer and authenticated and delivered by the Trustee, shall have endorsed thereon the applicable Guarantee executed by the Guarantor and shall be registered in the name of the Depositary or its nominee and retained by the Trustee, as custodian, at its Corporate Trust Office, for credit to the accounts of the Agent Members holding the Notes evidenced thereby. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian, and of the Depositary or its nominee, as hereinafter provided.

## Section 2.3 Legends.

Each Global Note shall also bear the following legend on the face thereof:

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE SUPPLEMENTAL INDENTURE REFERRED TO HEREIN. THIS GLOBAL NOTE MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A NOTE REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THE SUPPLEMENTAL INDENTURE AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE SUPPLEMENTAL INDENTURE.

#### Section 2.4 Form of Guarantees.

A Guarantee substantially in the following form shall be endorsed on the reverse of each Note:

Teva Pharmaceutical Industries Limited (the “Guarantor”) hereby unconditionally and irrevocably guarantees to the Holder of this Note the due and punctual payment of the principal of and interest (including Additional Tax Amounts, if any), on this Note, when and as the same shall become due and payable, whether at Maturity or upon redemption or upon declaration of acceleration or otherwise, according to the terms of this Note and of the Indenture. The Guarantor agrees that in the case of default by the Issuer in the payment of any such principal or interest (including Additional Tax Amounts, if any), the Guarantor shall duly and punctually pay the same. The Guarantor hereby agrees that its obligations hereunder shall be absolute and unconditional irrespective of any extension of the time for payment of this Note, any modification of this Note, any invalidity, irregularity or unenforceability of this Note or the Indenture, any failure to enforce the same or any waiver, modification, consent or indulgence granted to the Issuer with respect thereto by the Holder of this Note or the Trustee, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a demand or proceeding first against the Issuer, protest or notice with respect to this Note or the indebtedness evidenced hereby and all demands whatsoever, and covenants that this Guarantee will not be discharged as to this Note except by payment in full of the principal of and interest (including Additional Tax Amounts, if any) on this Note.

The Guarantor shall be subrogated to all rights of the Holders against the Issuer in respect of any amounts paid by the Guarantor pursuant to the provisions of the Guarantees or the Indenture; *provided, however*, that the Guarantor hereby waives any and all rights to which it may be entitled, by operation of law or otherwise, upon making any payment hereunder (i) to be subrogated to the rights of a Holder against the Issuer with respect to such payment or otherwise to be reimbursed, indemnified or exonerated by the Issuer in respect thereof or (ii) to receive any payment in the nature of contribution or for any other reason, from any other obligor with respect to such payment, in each case, until the principal of and interest (including Additional Tax Amounts, if any) on this Note shall have been paid in full.

The Guarantee shall not be valid or become obligatory for any purpose with respect to this Note until the certificate of authentication on this Note shall have been signed by the Trustee.

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

IN WITNESS WHEREOF, Teva Pharmaceutical Industries Limited has caused the Guarantee to be signed manually or by facsimile by its duly authorized officers.

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

By \_\_\_\_\_

By \_\_\_\_\_

Section 2.5 Book-Entry Provisions for the Global Notes.

(a) The Global Notes initially shall:

- (1) be registered in the name of the Depositary (or a nominee thereof); and
- (2) be delivered to the Trustee as custodian for such Depositary.

Members of, or participants in, the Depositary (“Agent Members”) shall have no rights under this Supplemental Indenture with respect to any Global Note held on their behalf by the Depositary, or the Trustee as its custodian, or under such Global Note, and the Depositary may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing contained herein shall prevent the Issuer, the Trustee or any agent of the Issuer or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and the Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Note. With respect to any Global Note deposited on behalf of the subscribers for the Notes represented thereby with the Trustee as custodian for the Depositary for credit to their respective accounts (or to such other accounts as they may direct) at Euroclear or Clearstream, the provisions of the “Operating Procedures of the Euroclear System” and the “Terms and Conditions Governing Use of Euroclear” and the “Management Regulations” and “Instructions to Participants” of Clearstream, respectively, shall be applicable to the Global Notes.

(b) The Holder of a Global Note may grant proxies and otherwise authorize any Person, including DTC Participants and Persons that may hold interests through DTC Participants, to take any action that a Holder is entitled to take under this Supplemental Indenture, the Base Indenture or the Notes of either series.

(c) A Global Note may not be transferred, in whole or in part, to any Person other than the Depositary (or a nominee thereof), and no such transfer to any such other Person may be registered. Beneficial interests in a Global Note may be transferred in accordance with the rules and procedures of the Depositary.

(d) If at any time:

(1) the Depositary notifies the Issuer in writing that it is no longer willing or able to continue to act as Depositary for the Global Notes of either series, or the Depositary ceases to be a “clearing agency” registered under the Exchange Act and a successor depositary for the Global Notes of such series is not appointed by the Issuer within 90 days of such notice or cessation; or

(2) an Event of Default has occurred and is continuing and the Registrar has received a request from the Depositary for the issuance of Physical Notes in exchange for such Global Note or Global Notes;

the Depositary shall surrender such Global Note or Global Notes to the Trustee for cancellation and the Issuer shall execute, and the Trustee, upon receipt of an Officers’ Certificate and Issuer Order for the authentication and delivery of Notes, shall authenticate and deliver, in exchange for such Global Note or Global Notes, Physical Notes of the applicable series in an aggregate principal amount equal to the aggregate principal amount of such Global Note or Global Notes. Such Physical Notes shall be registered in such names as the Depositary shall identify in writing as the beneficial owners of the Notes represented by such Global Note or Global Notes (or any nominee thereof).

(e) Notwithstanding the foregoing, in connection with any transfer of beneficial interests in a Global Note to the beneficial owners thereof pursuant to Section 2.5(d), the Registrar shall reflect on its books and records the date and a decrease in the principal amount of such Global Note in an amount equal to the principal amount of the beneficial interests in such Global Note to be transferred.

#### Section 2.6 Defaulted Interest.

If the Issuer fails to make a payment of interest on any Note when due and payable (“Defaulted Interest”), it shall pay such Defaulted Interest plus (to the extent lawful) any interest payable on the Defaulted Interest, in any lawful manner. It may elect to pay such Defaulted Interest, plus any such interest payable on it, to the Persons who are Holders of such Notes on which the interest is due on a subsequent Special Record Date. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each such Note. The Issuer shall fix any such Special Record Date and payment date for such payment. At least 15 days before any such Special Record Date, the Issuer shall mail to Holders affected thereby a notice that states the Special Record Date, the Interest Payment Date and amount of such interest to be paid.

### Section 2.7 Execution of Guarantees.

The Guarantor hereby agrees to execute the Guarantees in substantially the form above recited to be endorsed on each Note. If the Issuer shall execute Physical Notes in accordance with Section 2.5, the Guarantor shall execute the Guarantees in substantially the form above recited to be endorsed on each such Note. Such Guarantee shall be executed on behalf of the Guarantor by an Officer of the Guarantor. The signature of any of these officers on the Guarantees may be manual or facsimile.

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

### Section 2.8 Add On Notes.

The Issuer may, from time to time, subject to compliance with any other applicable provisions of this Supplemental Indenture and the Base Indenture, without the consent of the Holders, create and issue pursuant to this Supplemental Indenture and the Base Indenture Add On Notes having terms identical to those of the Outstanding Notes of either series, except that Add On Notes:

- (a) may have a different issue date from other Outstanding Notes;
- (b) may have a different first Interest Payment Date after issuance than other Outstanding Notes of such series;
- (c) may have a different amount of interest payable on the first Interest Payment Date after issuance than is payable on other Outstanding Notes of such series; and
- (d) may have terms specified in Add On Note Board Resolutions or the Add On Note supplemental indenture for such Add On Notes making appropriate adjustments to this Article 2 and Exhibit A or B (and related definitions), as the case may be, applicable to such Add On Notes in order to conform to and ensure compliance with the Securities Act (or other applicable securities laws) and any registration rights or similar agreement applicable to such Add On Notes, which are not adverse in any material respect to the Holder of any Outstanding Notes (other than such Add On Notes) and which shall not affect the rights, benefits, immunities or duties of the Trustee.

In authenticating any Add On Notes, and accepting the additional responsibilities under this Indenture in relation to such Add On Notes, the Trustee shall be entitled to receive, and shall be fully protected in relying upon:

- (a) the Add On Note Board Resolutions or Add On Note supplemental indenture relating thereto;
- (b) an Officers' Certificate complying with Section 6.5; and
- (c) an Opinion of Counsel complying with Section 6.5 stating,

(1) that the forms of such Notes have been established by or pursuant to Add On Note Board Resolutions or by an Add On Note supplemental indenture, as permitted by this Section 2.8 and in conformity with the provisions of this Supplemental Indenture and the Base Indenture;

(2) that the terms of such Notes have been established by or pursuant to Add On Note Board Resolutions or by an Add On Note supplemental indenture, as permitted by this Section 2.8 and in conformity with the provisions of this Supplemental Indenture and the Base Indenture;

(3) that such Notes and the related Guarantees, when authenticated and delivered by the Trustee and issued by the Issuer and the Guarantor in the manner provided for herein and in the Base Indenture and the Guarantee, respectively, subject to any customary conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Issuer and the Guarantor, respectively, entitled to the benefits provided in this Supplemental Indenture and the Base Indenture, enforceable in accordance with their respective terms, except to the extent that the enforcement of such obligations may be subject to bankruptcy laws or insolvency laws or other similar laws, general principles of equity and such other qualifications as such counsel shall conclude are customary or do not materially affect the rights of the Holders of such Notes;

(4) that all laws and requirements in respect of the execution and delivery of the Notes have been complied with; and

(5) such other matters as the Trustee may reasonably request.

If such forms or terms have been so established by or pursuant to Add On Note Board Resolutions or an Add On Note supplemental indenture, the Trustee shall have the right to decline to authenticate and deliver any Notes:

- (1) if the Trustee, being advised by counsel, determines that such action may not lawfully be taken;
- (2) if the Trustee in good faith determines that such action would expose the Trustee to personal liability to Holders of any Outstanding Notes; or

(3) if the issue of such Add On Notes pursuant to this Supplemental Indenture and the Base Indenture will affect the Trustee's own rights, duties, benefits and immunities under the Notes, this Supplemental Indenture and the Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding anything in this Section 2.8, the Issuer may not issue Add On Notes if an Event of Default shall have occurred and be continuing.

### ARTICLE 3

#### ADDITIONAL COVENANTS

In addition to the covenants set forth in Article 3 of the Base Indenture, the Notes shall be subject to the additional covenants set forth in this Article 3.

##### Section 3.1 Payment of Additional Tax Amounts.

All payments of interest and principal by the Issuer under the Notes of either series and by the Guarantor under the Guarantees shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Taxing Jurisdiction or any political sub-division thereof or by any authority therein having power to tax unless such withholding or deduction is required by law. In that event, the Issuer or the Guarantor, as applicable, will (a) withhold or deduct such amounts, (b) pay such additional amounts as may be necessary in order that the net amounts received by a Holder after such withholding or deduction shall equal the amount of interest and principal which would have been receivable in respect of the Notes of such series in the absence of such withholding or deduction ("Additional Tax Amounts") and (c) pay the full amount withheld or deducted to the relevant tax or other authority in accordance with applicable law, except that no such Additional Tax Amounts shall be payable in respect of any Note:

(1) to the extent that such Taxes are imposed or levied by reason of such Holder (or the beneficial owner) having some present or former connection with the Taxing Jurisdiction other than the mere holding (or beneficial ownership) of such Note or receiving principal or interest payments on the Notes (including but not limited to citizenship, nationality, residence, domicile, or the existence of a business, permanent establishment, a dependant agent, a place of business or a place of management present or deemed present in the Taxing Jurisdiction);

(2) in respect of any Tax that would not have been so withheld or deducted but for the failure by the Holder or the beneficial owner of the Note to make a declaration of non-residence, or any other claim or filing for exemption to which it is entitled or otherwise comply with any reasonable certification, identification, information, documentation or other reporting requirement concerning nationality, residence, identity or connection with the Taxing Jurisdiction if (a) compliance is required by applicable law, regulation, administrative practice or treaty as a precondition to exemption from all or part of

the Taxes, (b) the Holder (or beneficial owner) is able to comply with these requirements without undue hardship and (c) we have given the Holders (or beneficial owners) at least 30 calendar days prior notice that they will be required to comply with such requirement;

(3) in respect of any Tax imposed on a holder or a beneficial owner of the notes who is an individual resident of the European Union as a result of such holder or beneficial owner's failure to provide the requisite information to Teva Finance to allow such holder to take advantage of the exemption from the savings income tax provided in article 10 of the Land Ordinance on Savings Income in Curaçao;

(4) to the extent that such Taxes are imposed by reason of any estate, inheritance, gift, sales, transfer or personal property taxes imposed with respect to the Notes, except as otherwise provided in this Supplemental Indenture;

(5) to the extent that any such taxes would not have been imposed but for the presentation of such Notes, where presentation is required, for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the Holder would have been entitled to Additional Tax Amounts had the notes been presented for payment on any date during such 30-day period; or

(6) any combination of items (1) through (5) above.

For purposes of this Section 3.1, "Taxes" means, with respect to payments on the Notes, all taxes, withholdings, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Taxing Jurisdiction or any political subdivision thereof or any authority or agency therein or thereof having power to tax.

### Section 3.2 Stamp Tax.

The Issuer and the Guarantor will pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies that arise from the execution, delivery, enforcement or registration of the Notes or any other document or instrument in relation thereto.

### Section 3.3 Corporate Existence.

Subject to Article 8 of the Base Indenture, each of the Guarantor and the Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; *provided, however*, that the Issuer and the Guarantor shall not be required to preserve any such right or franchise if the Issuer and the Guarantor determine that the preservation thereof is no longer desirable in the conduct of the business of the Issuer or the Guarantor and that the loss thereof is not disadvantageous in any material respect to the Holders.

#### Section 3.4 Certificates of the Issuer and the Guarantor.

The Issuer and the Guarantor will each furnish to the Trustee within 120 days after the end of each fiscal year of the Issuer or the Guarantor, as the case may be, an Officers' Certificate of the Issuer or the Guarantor, as the case may be, as to the signers' knowledge of the Issuer's or the Guarantor's compliance with all conditions and covenants under this Supplemental Indenture and the Base Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under this Supplemental Indenture or the Base Indenture). In the event an Officer of the Guarantor or an Officer of the Issuer comes to have actual knowledge of an Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, regardless of the date, the Guarantor or the Issuer shall deliver an Officers' Certificate to the Trustee specifying such Default and the nature and status thereof.

#### Section 3.5 Guarantor To Be the Sole Equityholder of the Issuer.

So long as any Notes are outstanding, the Guarantor or its successor will directly or indirectly own all of the outstanding Capital Stock of the Issuer.

#### Section 3.6 Limitation on Liens.

The Guarantor shall not, and shall not permit any subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien, other than a Permitted Lien, upon any of its property or assets (including any shares of Capital Stock or Indebtedness of any subsidiary), whether owned or leased on the date of this Supplemental Indenture or hereafter acquired, to secure any Indebtedness incurred by the Guarantor or any subsidiary, without in any such case making effective provision whereby all of the Notes outstanding (together with, if the Guarantor so determines, any other Indebtedness by the Guarantor or any such subsidiary ranking equally with the Notes or the Guarantees) shall be secured equally and ratably with, or prior to, such Indebtedness for so long as such Indebtedness shall be so secured unless, after giving effect to such Lien, the aggregate amount of secured Indebtedness then outstanding (excluding Indebtedness secured solely by Permitted Liens) plus the value (as defined in Section 3.7) of all Sale-Leaseback Transactions (other than those described in paragraph (a) or paragraph (b) of Section 3.7) then outstanding would not exceed 10% of the Guarantor's Consolidated Net Worth.

#### Section 3.7 Limitation on Sales and Leasebacks.

The Guarantor will not, and will not permit any subsidiary to, enter into any Sale-Leaseback Transaction after the date of this Supplemental Indenture unless:

- (a) the Sale-Leaseback Transaction:
  - (1) involves a lease for a period, including renewals, of not more than five years;
  - (2) occurs within 270 days after the date of acquisition, completion of construction or completion of improvement of such property; or

- (3) is with the Guarantor or one of its subsidiaries; or
- (b) the Guarantor or any subsidiary, within 270 days after the Sale-Leaseback Transaction shall have occurred, applies or causes to be applied an amount equal to the value of the property so sold and leased back at the time of entering into such arrangement to the prepayment, repayment, redemption, reduction or retirement of any Indebtedness of the Guarantor or any subsidiary that is not subordinated to the Notes and that has a Stated Maturity of more than twelve months; or
  - (c) the Guarantor or such subsidiary would be entitled pursuant to Section 3.6 to create, incur, issue or assume Indebtedness secured by a Lien, other than a Permitted Lien, on the property without equally and ratably securing the Notes.

As used in this Section 3.7, the term “value” shall mean, with respect to a Sale-Leaseback Transaction, as of any particular time an amount equal to the greater of (i) the net proceeds of sale of the property leased pursuant to such Sale-Leaseback Transaction, or (ii) the fair value of such property at the time of entering into such Sale-Leaseback Transaction as determined by the Board of Directors of the Guarantor, in each case multiplied by a fraction of which the numerator is the number of full years of remaining term of the lease (without regard to renewal options) and the denominator is the full years of the full term of the lease (without regard to renewal options).

#### Section 3.8 Waiver of Stay or Extension Laws.

The Issuer 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 to take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Supplemental Indenture and the Base Indenture; and the Issuer (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 4**

#### **REDEMPTION OF NOTES**

##### Section 4.1 Optional Redemption.

The Floating Rate Notes will not be subject to redemption at the Issuer’s option, except as set forth in Section 4.4. The Issuer may, however, at its option, redeem the Fixed Rate Notes in whole or in part from time to time, on any date prior to maturity, upon notice as set forth in Section 4.2, at the Redemption Price plus any interest accrued and unpaid to, but excluding, the Redemption Date.

#### Section 4.2 Notice of Redemption.

Notice of redemption shall be given in the manner provided in Section 6.4 to the Holders of Notes to be redeemed and to the Trustee. Such notice shall be given not less than 20 nor more than 60 days prior to the intended Redemption Date.

#### Section 4.3 Deposit of Redemption Price.

Prior to 10:00 a.m., New York City time, on any Redemption Date, the Issuer shall deposit with the Trustee or with a Paying Agent an amount of money sufficient to pay the Redemption Price in respect of all the Notes to be redeemed on that Redemption Date and accrued and unpaid interest, if any, on such Notes.

#### Section 4.4 Tax Redemption.

(a) If, as a result of any amendment to, or change in, the laws (or any rules or regulation thereunder) of any Taxing Jurisdiction or any political subdivision or taxing authority thereof or therein affecting taxation or any amendment to or change in an official interpretation or application of such laws, rules or regulations, which amendment or change of such laws, rules or regulations becomes effective on or after the date of this Supplemental Indenture, the Issuer or the Guarantor (or its successor), as the case may be, will be obligated to pay any Additional Tax Amount, with respect to either series of Notes, and if such obligation cannot be avoided by the Issuer or the Guarantor (or its successor), after taking measures it considers reasonable to avoid it, then at the option of the Issuer or the Guarantor (or its successor), as the case may be, the Notes of such series may be redeemed in whole, but not in part, at any time, on giving not less than 20 nor more than 60 days' notice to the Trustee and the Holders of such Notes, at the Redemption Price plus accrued and unpaid interest up to but not including the Redemption Date and any Additional Tax Amounts which would otherwise be payable; *provided, however*, that (1) no notice of such tax redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor (or its successor), as the case may be, would but for such redemption be obligated to pay such Additional Tax Amounts were a payment on such Notes then due, and (2) at the time such notice is given, such obligation to pay such Additional Tax Amounts remains in effect.

(b) Before any notice of tax redemption pursuant to Section 4.4(a) is given to the Trustee or the Holders of the Notes of the relevant series, the Issuer or the Guarantor (or its successor), as the case may be, shall deliver to the Trustee (i) an Officer's Certificate stating that the Issuer or the Guarantor (or its successor), is entitled to effect such redemption and setting forth a statement of facts showing that the condition or conditions precedent to the right of the Issuer or the Guarantor (or its successor) so to redeem have occurred or been satisfied and (ii) an opinion of counsel to the effect that the Issuer or the Guarantor (or its successor) has or shall become obligated to pay Additional Tax Amounts as a result of a change or amendment described in Section 4.4(a). Such notice, once given to the Trustee, shall be irrevocable.

## **ARTICLE 5**

### **SATISFACTION AND DISCHARGE**

#### **Section 5.1 Satisfaction and Discharge.**

(a) With respect to the Notes of each series, Section 9.01 of the Base Indenture is not applicable.

(b) The Issuer and the Guarantor may satisfy and discharge their obligations under this Supplemental Indenture while the Notes remain outstanding, if (a) all Outstanding Notes have become due and payable at their scheduled Maturity, or (b) all Outstanding Notes have been called for redemption, and in either case, the Issuer has deposited with the Trustee an amount sufficient to pay and discharge all Outstanding Notes on the date of their scheduled Maturity or the scheduled Redemption Date.

## **ARTICLE 6**

### **MISCELLANEOUS PROVISIONS**

#### **Section 6.1 Scope of Supplemental Indenture.**

The changes, modifications and supplements to the Base Indenture effected by this Supplemental Indenture shall only be applicable with respect to, and govern the terms of, the Notes and shall not apply to any other Securities that may be issued by the Issuer under the Base Indenture.

#### **Section 6.2 Provisions of Supplemental Indenture for the Sole Benefit of Parties and Holders of Notes.**

Nothing in this Supplemental Indenture, the Base Indenture or in the Notes or the Guarantees, expressed or implied, shall give or be construed to give to any person, firm or corporation, other than the parties hereto and their successors and the Holders of the Notes, any legal or equitable right, remedy or claim under this Supplemental Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors and of the Holders of the Notes.

#### **Section 6.3 Successors and Assigns of Issuer and Guarantor Bound by Supplemental Indenture.**

All the covenants, stipulations, promises and agreements in this Supplemental Indenture contained by or on behalf of the Issuer shall bind its successors and assigns, whether so expressed or not. All the covenants, stipulations, promises and agreements in this Supplemental Indenture contained by or on behalf of the Guarantor shall bind its successors and assigns, whether so expressed or not.

Section 6.4 Notices and Demands on Issuer, Trustee and Holders of Notes.

Any notice or demand which by any provision of this Supplemental Indenture is required or permitted to be given or served by the Trustee or by the Holders of Notes to or on the Issuer or the Guarantor may be given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided herein) addressed (until another address is filed with the Trustee) as follows:

If to the Issuer, to:

Teva Pharmaceutical Finance III B.V.  
c/o Teva Pharmaceuticals USA, Inc.  
1090 Horsham Road  
North Wales, PA 19454  
Deborah A. Griffin  
Fax: (215) 591-8807

with a copy to:

Teva Pharmaceutical Finance III B.V.  
Schottegatweg Oost 29D  
Curaçao  
Attn: George Bergmann  
Fax: 599-9736-7066

with a copy (which shall not constitute notice) to:

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019  
Attn: Jeffrey S. Hochman  
Fax: (212) 728-9592

If to the Guarantor:

Teva Pharmaceutical Industries Limited  
5 Basel Street  
P.O. Box 3190  
Petach Tikva 49131  
Israel  
Attn: Eyal Desheh  
Fax: 972-3-914-8700

with a copy (which shall not constitute notice) to:

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019  
Attn: Jeffrey S. Hochman  
Fax: (212) 728-9592

Any notice, direction, request or demand by the Issuer, the Guarantor or any Holder of Notes to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if delivered in person or mailed by first-class mail to the Trustee at 101 Barclay Street, Floor 4E, New York, NY 10286, Attention: Corporate Trust Administration – Global Finance Unit.

Where this Supplemental Indenture provides for notice to Holders, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder entitled thereto, at his last address as it appears in the register of the Notes of the applicable series. 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 Supplemental Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impracticable to mail notice to the Issuer, the Guarantor or Holders of Notes when such notice is required to be given pursuant to any provision of this Supplemental Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

#### Section 6.5 Officers' Certificates and Opinions of Counsel; Statements to be Contained Therein.

Upon any application or demand by the Issuer or the Guarantor to the Trustee to take any action under any of the provisions of this Supplemental Indenture, the Issuer or the Guarantor, as the case may be, shall furnish to the Trustee an Officers' Certificate or Guarantor's Officers' Certificate, as the case may be, stating that all conditions precedent provided for in this

Supplemental Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Supplemental Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Supplemental Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Supplemental Indenture shall include (a) a statement that the person making such certificate or opinion has read such covenant or condition, (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 such person, 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 or not, in the opinion of such person, such condition or covenant has been complied with.

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

Any certificate, statement or opinion of an officer of the Issuer or the Guarantor or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Issuer, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

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

#### Section 6.6 Payments Due on Saturdays, Sundays and Holidays.

If the date of maturity of interest on or principal of the Notes of either series or the date fixed for redemption of any such Note shall not be a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

#### Section 6.7 Conflict of any Provisions of Supplemental Indenture with Trust Indenture Act of 1939.

If and to the extent that any provision of this Supplemental Indenture limits, qualifies or conflicts with another provision included in this Supplemental Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939 (an “incorporated provision”), such incorporated provision shall control.

Section 6.8 New York Law to Govern.

This Supplemental Indenture, each Floating Rate Note and each Fixed Rate Note shall be deemed to be a contract under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of such State.

Section 6.9 Counterparts.

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

Section 6.10 Effect of Headings.

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

Section 6.11 Submission to Jurisdiction.

Each of the Issuer and the Guarantor agrees that any legal suit, action or proceeding arising out of or based upon this Supplemental Indenture may be instituted in any federal or state court sitting in New York City, and, to the fullest extent permitted by law, waives any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such court in any law suit, action or proceeding. Each of the Issuer and the Guarantor, as long as any of the Notes remain Outstanding or the parties hereto have any obligation under this Supplemental Indenture, shall have an authorized agent (the “Authorized Agent”) in the United States upon whom process may be served in any such legal action or proceeding. Service of process upon such agent and written notice of such service mailed or delivered to it shall to the extent permitted by law be deemed in every respect effective service of process upon it in any such legal action or proceeding. The Issuer and the Guarantor each hereby appoints Teva Pharmaceuticals USA, Inc. (1090 Horsham Road, North Wales, PA 19454) as its agent for such purposes, and covenants and agrees that service of process in any legal action or proceeding may be made upon it at such office of such agent.

Section 6.12 Not Responsible for Recitals or Issuance of Securities.

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

## **ARTICLE 7**

### **SUPPLEMENTAL INDENTURES**

#### Section 7.1 Without Consent of Holders.

The Issuer and the Trustee may amend, modify or supplement this Supplemental Indenture or the Notes without the consent of any Holder to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture; or to make such other provisions in regard to matters or questions arising under this Supplemental Indenture or under any supplemental indenture as the Issuer or the Guarantor may deem necessary or desirable and which shall not adversely affect the interests of the Holders of the Notes in any material respect; provided, further, that any amendment made solely to conform the provisions of this Supplemental Indenture to the description of the Notes contained in the Issuer's prospectus supplement dated March 16, 2011 will not be deemed to adversely affect the interests of the Holders of the Notes.

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

Very truly yours,

TEVA PHARMACEUTICAL FINANCE III B.V.,  
AS ISSUER

By /s/ George Bergmann

*Name:* George Bergmann

*Title:* Managing Director

By /s/ Edgard Lotman

*Name:* Edgard Lotman

*Title:* Supervisory Director

TEVA PHARMACEUTICAL INDUSTRIES  
LIMITED, AS GUARANTOR

By /s/ Kobi Altman

*Name:* Kobi Altman

*Title:* Vice President – Finance

By /s/ Eran Ezra

*Name:* Eran Ezra

*Title:* Treasurer

THE BANK OF NEW YORK MELLON,  
AS TRUSTEE

By /s/ John T. Needham, Jr.

*Name:* John T. Needham, Jr.

*Title:* Vice President

## [FORM OF FACE OF FLOATING RATE NOTE]

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO TEVA PHARMACEUTICAL FINANCE III B.V. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IN EXCHANGE FOR THIS NOTE IS REGISTERED IN THE NAME OF CEDE & CO. (“CEDE”) OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE 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, HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE SUPPLEMENTAL INDENTURE REFERRED TO HEREIN. THIS GLOBAL NOTE MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A NOTE REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THE SUPPLEMENTAL INDENTURE AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE SUPPLEMENTAL INDENTURE.

No.

U.S.\$

CUSIP No. 88166D AB2  
ISIN No. US88166DAB29

**GLOBAL NOTE****TEVA PHARMACEUTICAL FINANCE III B.V.****Floating Rate Senior Notes due 2014****Payment of Principal, Interest and Additional Tax Amounts, if any, Unconditionally Guaranteed By****TEVA PHARMACEUTICAL INDUSTRIES LIMITED**

This Global Note is in respect of an issue of Floating Rate Senior Notes due 2014 (the “Notes”) of Teva Pharmaceutical Finance III B.V., a Curaçao private limited liability (the “Issuer”, which term includes any successor corporation under the Supplemental Indenture and Indenture hereinafter referred to), and issued pursuant to a supplemental indenture and a base

indenture, each dated as of March 21, 2011 (respectively, the “Supplemental Indenture” and the “Base Indenture” and together, the “Indenture”) among the Issuer, Teva Pharmaceutical Industries Limited, as guarantor (the “Guarantor”), and The Bank of New York Mellon, a New York banking corporation, as trustee (the “Trustee”). Unless the context otherwise requires, the terms used herein shall have the meanings specified in the Supplemental Indenture and the Base Indenture.

The Issuer, for value received, hereby promises to pay to Cede & Co. or its registered assigns, the principal amount of [ ] United States Dollars (U.S.\$\_\_\_\_\_) on March 21, 2014, and to pay interest on such principal amount in U.S. Dollars at the rate of three-month LIBOR (as defined below) plus 0.500% per annum, as set forth in further detail on the reverse hereof, from the date hereof until payment of such principal amount has been made or duly provided for, such interest to be paid quarterly on each Interest Payment Date. The interest so payable on any Interest Payment Date will, subject to certain exceptions provided in the Supplemental Indenture, be paid to the person in whose name this Note is registered at the close of business on the 15th calendar day immediately preceding the related Interest Payment Date.

“Business Day” means a day other than (i) a Saturday or Sunday, (ii) a day on which banks in New York, New York are authorized or obligated by law or executive order to remain closed, or (iii) a day on which the Trustee’s Corporate Trust Office is closed for business.

“Calculation Agent” means The Bank of New York Mellon, or its successor appointed by the Issuer, acting as calculation agent.

“Interest Determination Date” means the second London Business Day immediately preceding the first day of the relevant Interest Period.

“Interest Payment Date” means each of March 21, June 21, September 21 and December 21, beginning June 21, 2011, provided, however, in each case, that if any such date is not a Business Day, the Interest Payment Date shall be the next succeeding Business Day.

“Interest Period” means the period commencing on an Interest Payment Date (or, with respect to the initial Interest Period only, commencing on the issue date for this Note) and ending on the day before the next succeeding Interest Payment Date.

“LIBOR” means, with respect to any Interest Period, the rate (expressed as a percentage per annum) for deposits in U.S. dollars for a three-month period commencing on the first day of that Interest Period and ending on the next Interest Payment Date that appears on Reuters LIBOR01 Page as of 11:00 a.m. (London time) on the Interest Determination Date for that Interest Period. If such rate does not appear on the Reuters LIBOR01 Page as of 11:00 a.m. (London time) on the Interest Determination Date for that Interest Period, LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for the Interest Period and in a principal amount of not less than \$1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market, selected by the Issuer, at approximately 11:00 a.m., London time, on the Interest Determination Date for that Interest Period. The Issuer will request the principal London office of each such bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR with respect to that

Interest Period will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR with respect to that Interest Period will be the arithmetic mean of the rates quoted by three major banks in New York City selected by the Issuer, at approximately 11:00 a.m., New York City time, on the first day of that Interest Period for loans in U.S. dollars to leading European banks for that Interest Period and in a principal amount of not less than \$1,000,000. However, if fewer than three banks selected by the Issuer to provide quotations are quoting as described above, LIBOR for that Interest Period will be the same as LIBOR as determined for the previous Interest Period.

“London Business Day” means a day that is a Business Day and a day on which dealings in deposits in U.S. dollars are transacted, or with respect to any future date are expected to be transacted, in the London interbank market.

“Reuters LIBOR01 Page” means the display designated as page LIBOR01 on the Reuters 3000 Xtra (or such other page as may replace the Reuters LIBOR01 Page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits).

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

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed manually or by facsimile by its duly authorized officers.

Dated:

TEVA PHARMACEUTICAL FINANCE III B.V.

By: \_\_\_\_\_  
*Name:*  
*Title:*

By: \_\_\_\_\_  
*Name:*  
*Title:*

Trustee's Certificate of Authentication

This is one of the Floating Rate Senior  
Notes due 2014 described in the within-named  
Supplemental Indenture and Indenture.

THE BANK OF NEW YORK MELLON, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Dated:

Teva Pharmaceutical Industries Limited (the “Guarantor”) hereby unconditionally and irrevocably guarantees to the Holder of this Note the due and punctual payment of the principal of and interest (including Additional Tax Amounts, if any), on this Note, when and as the same shall become due and payable, whether at Maturity or upon redemption or upon declaration of acceleration or otherwise, according to the terms of this Note and of the Indenture. The Guarantor agrees that in the case of default by the Issuer in the payment of any such principal or interest (including Additional Tax Amounts, if any), the Guarantor shall duly and punctually pay the same. The Guarantor hereby agrees that its obligations hereunder shall be absolute and unconditional irrespective of any extension of the time for payment of this Note, any modification of this Note, any invalidity, irregularity or unenforceability of this Note or the Indenture, any failure to enforce the same or any waiver, modification, consent or indulgence granted to the Issuer with respect thereto by the Holder of this Note or the Trustee, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a demand or proceeding first against the Issuer, protest or notice with respect to this Note or the indebtedness evidenced hereby and all demands whatsoever, and covenants that this Guarantee will not be discharged as to this Note except by payment in full of the principal of and interest (including Additional Tax Amounts, if any) on this Note.

The Guarantor shall be subrogated to all rights of the Holders against the Issuer in respect of any amounts paid by the Guarantor pursuant to the provisions of the Guarantees or this Indenture; provided, however, that the Guarantor hereby waives any and all rights to which it may be entitled, by operation of law or otherwise, upon making any payment hereunder (i) to be subrogated to the rights of a Holder against the Issuer with respect to such payment or otherwise to be reimbursed, indemnified or exonerated by the Issuer in respect thereof or (ii) to receive any payment in the nature of contribution or for any other reason, from any other obligor with respect to such payment, in each case, until the principal of and interest (including Additional Tax Amounts, if any) on this Note shall have been paid in full.

The Guarantee shall not be valid or become obligatory for any purpose with respect to this Note until the certificate of authentication on this Note shall have been signed by the Trustee.

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

IN WITNESS WHEREOF, Teva Pharmaceutical Industries Limited has caused the Guarantee to be signed manually or by facsimile by its duly authorized officers.

Dated:

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

By: \_\_\_\_\_

*Name:*

*Title:*

By: \_\_\_\_\_

*Name:*

*Title:*

[FORM OF REVERSE OF FLOATING RATE NOTE]

**TEVA PHARMACEUTICAL FINANCE III B.V.**

**Floating Rate Senior Note due 2014**

**Payment of Principal, Interest and Additional Tax Amounts, if any, Unconditionally Guaranteed By**

**TEVA PHARMACEUTICAL INDUSTRIES LIMITED**

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

**1. Principal and Interest.**

Teva Pharmaceutical Finance III B.V., a company duly organized and existing under the laws of Curaçao (the “Issuer”), promises to pay interest on the principal amount of this Note at the Interest Rate from March 21, 2011 until the principal thereof is paid or made available for payment. Interest shall be payable quarterly in arrears on each Interest Payment Date.

Interest on the Notes shall be computed on the basis of the actual number of days elapsed over a 360-day year.

The Notes shall bear interest for each Interest Period at a per annum rate determined by the Calculation Agent, subject to the maximum interest rate permitted by New York or other applicable state law, as such law may be modified by United States law of general application, as determined by the Issuer. The Interest Rate applicable to the Notes during each Interest Period shall be equal to LIBOR on the Interest Determination Date for such Interest Period plus 0.500%. Promptly upon such determination, the Calculation Agent shall notify the Issuer and the Trustee, if the Trustee is not then serving as the Calculation Agent, of the Interest Rate for the new Interest Period. The Interest Rate determined by the Calculation Agent, absent manifest error, shall be binding and conclusive upon the beneficial owners and holders of the Notes, the Issuer and the Trustee. Upon the request of a Holder of the Notes, the Calculation Agent shall provide to such holder the Interest Rate in effect on the date of such request and, if determined, the Interest Rate for the next Interest Period. The accrued interest for any period shall be calculated by multiplying the principal amount of a Note by an accrued interest factor. The accrued interest factor shall be computed by adding the interest factor calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal rounded upwards if necessary) shall be computed by dividing the Interest Rate (expressed as a decimal rounded upwards if necessary) applicable to such date by 360.

All percentages resulting from any calculation of the Interest Rate on the Notes shall be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards, and all dollar amounts used in or resulting from such calculation shall be rounded to the nearest cent (with one-half cent being rounded upwards).

A Holder of any Note at the close of business on a Regular Record Date shall be entitled to receive interest on such Note on the corresponding Interest Payment Date.

**2. Method of Payment.**

Interest on any Note 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 Note (or one or more Predecessor Notes) is registered at the close of business on the relevant Regular Record Date for such interest.

Principal of and interest on Global Notes shall be payable to the Depositary in immediately available funds.

Principal of Physical Notes will be payable at the office or agency of the Issuer maintained for such purpose, initially the Corporate Trust Office of the Trustee. Interest on Physical Notes will be payable by (i) U.S. Dollar check drawn on a bank in The City of New York mailed to the address of the Person entitled thereto as such address shall appear in the register of the Notes, or (ii) upon written application to the Registrar not later than the relevant Record Date by a Holder of an aggregate principal amount of Notes in excess of \$5,000,000, wire transfer in immediately available funds, which application and written wire instructions shall remain in effect until the Holder notifies, in writing, the Registrar to the contrary.

3. Paying Agent and Registrar.

Initially, The Bank of New York Mellon, the Trustee under the Supplemental Indenture, will act as Paying Agent and Registrar. The Issuer may change the Paying Agent or Registrar without notice to any Holder.

4. Supplemental Indenture and Indenture.

The Issuer issued this Note under a Supplemental Indenture and a Base Indenture, each dated as of March 21, 2011 (respectively, the “Supplemental Indenture” and the “Base Indenture” and together, the “Indenture”), among the Issuer, the Guarantor and The Bank of New York Mellon, as trustee (the “Trustee”). The terms of the Note include those stated in the Indenture, and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (“TIA”). This Note is subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture shall control.

5. Optional Redemption.

This Note will not be subject to redemption at the option of the Issuer, except as set forth in Section 4.4 of the Supplemental Indenture and Section 6 below.

6. Tax Redemption.

The Notes may be redeemed as a whole but not in part, at the option of the Issuer at any time prior to maturity, upon the giving of a notice of tax redemption to the Holders, at a Redemption Price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if the Issuer determines that, as a result of any change in or amendment in the laws of any Taxing Jurisdiction, or any change in official position regarding the application or interpretation of the laws, which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the issuance of the Notes, the Issuer or the Guarantor (or its successor) will be obligated to pay Additional Tax Amounts with respect to the Notes; provided, however, that the Issuer, in its business judgment, determines that such obligation cannot be avoided by the Issuer or the Guarantor (or its successor), taking reasonable measures avoidable to it.

7. Denominations; Transfer; Exchange.

The Notes are issuable in registered form, without coupons, in minimum denominations of \$2,000 principal amount and integral multiples of \$1,000 in excess of \$2,000. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Issuer or the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents, and the Issuer may require a Holder to pay any taxes or other governmental charges that may be imposed in connection with any exchange or registration of transfer of Notes.

The Issuer shall not be required to exchange or register a transfer of (a) any Note for a period of 15 days next preceding the first mailing of notice of redemption of Notes to be redeemed, (b) any Notes selected, called or being called for redemption or (c) any Notes of any series between a record date and the next succeeding payment date.

8. Holders to be Treated as Owners.

The registered Holder of this Note shall be treated as its owner for all purposes.

9. Unclaimed Money.

Any moneys deposited with or paid to the Trustee or any Paying Agent for the payment of the principal of or interest on any Note and not applied but remaining unclaimed for two years after the date upon which such principal or interest shall have become due and payable, shall, upon the written request of the Issuer and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Issuer by the Trustee or such Paying Agent, and the Holder of the Note shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to the Issuer for any payment which such Holder may be entitled to collect, and all liability of the Trustee or any Paying Agent with respect to such moneys shall thereupon cease.

10. Satisfaction and Discharge.

The Issuer and the Guarantor may satisfy and discharge their obligations under the Indenture while the Notes remain outstanding, if (a) all Outstanding Notes have become due and payable at their scheduled Maturity, or (b) all Outstanding Notes have been called for redemption, and in either case, the Issuer has deposited with the Trustee an amount sufficient to pay and discharge all Outstanding Notes on the date of their scheduled Maturity or the scheduled Redemption Date.

11. Supplement; Waiver.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Outstanding Notes (or such lesser amount as shall have acted at a meeting pursuant to the provisions of the Indenture). The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Notes at the time Outstanding, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note or such other Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, places and rate, and in the coin or currency, herein prescribed.

12. Defaults and Remedies.

The Indenture provides that an Event of Default with respect to the Notes occurs when any of the following occurs:

- (a) the Issuer defaults in the payment of the principal of any of the Notes when it becomes due and payable at Maturity, upon redemption or otherwise;
- (b) the Issuer defaults in the payment of interest (including Additional Tax Amounts, if any) on any of the Notes when it becomes due and payable and such default continues for a period of 30 days;
- (c) the Guarantor fails to perform under the Guarantee relating to such series;
- (d) either the Issuer or the Guarantor fails to perform or observe any other term, covenant or agreement contained in the Notes or the Indenture and the default continues for a period of 60 days after written notice of such failure, requiring the Issuer or the Guarantor, respectively, to remedy the same, shall have been given to the Issuer or the Guarantor, respectively, by the Trustee or to the Issuer or the Guarantor, respectively, and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes;
- (e) except as otherwise permitted by the Indenture, the Guarantee is held in any final, nonappealable judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or the Guarantor, or any person acting on behalf of the Guarantor, shall deny or disaffirm its obligations under the Guarantee;
- (f)(i) the Issuer or the Guarantor fails to make by the end of the applicable grace period, if any, any payment of principal or interest due in respect of any Indebtedness for borrowed money, the aggregate outstanding principal amount of which is an amount in excess of \$100,000,000; or (ii) there is an acceleration of any Indebtedness for borrowed money in an amount in excess of \$100,000,000 because of a default with respect to such Indebtedness without such Indebtedness having been discharged or such non-payment or acceleration having been cured, waived, rescinded or annulled, in the case of either (i) or (ii) above, for a period of 30 days after written notice to the Issuer by the Trustee or to the Issuer and the Trustee by Holders of at least 25% in aggregate principal amount of the Outstanding Notes; or
- (g) there are certain events of bankruptcy, insolvency or reorganization of the Issuer or Guarantor.

If an Event of Default shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Supplemental Indenture.

13. Authentication.

This Note shall not be valid until the Trustee (or authenticating agent) executes the certificate of authentication on the other side of this Note.

14. CUSIP Numbers.

The Issuer has caused CUSIP numbers to be printed on this Note and, therefore, the Trustee shall use CUSIP numbers in notices of redemption as a convenience to Holders. Any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

15. Governing Law.

The Supplemental Indenture, Indenture and this Note shall be governed by, and construed in accordance with, the law of the State of New York.

16. Successor Corporation.

In the event a successor corporation legal entity assumes all the obligations of the Issuer or the Guarantor under this Note, pursuant to the terms hereof and of the Indenture, the Issuer or Guarantor, as the case may be, will be released from all such obligations.

## ASSIGNMENT FORM

To assign this Note, fill in the form below and have your signature guaranteed: (I) or (we) assign and transfer this Note to:

\_\_\_\_\_  
(Insert assignee's soc. sec. or tax I.D. no.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Print or type assignee's name, address and zip code)

and irrevocably appoint \_\_\_\_\_ to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Dated: \_\_\_\_\_

Your Name: \_\_\_\_\_  
(Print your name exactly as it appears on the face of this Note)

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee\*:

\_\_\_\_\_  
\* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

## [FORM OF FACE OF FIXED RATE NOTE]

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO TEVA PHARMACEUTICAL FINANCE III B.V. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IN EXCHANGE FOR THIS NOTE IS REGISTERED IN THE NAME OF CEDE & CO. ("CEDE") OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE 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, HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE SUPPLEMENTAL INDENTURE REFERRED TO HEREIN. THIS GLOBAL NOTE MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A NOTE REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THE SUPPLEMENTAL INDENTURE AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE SUPPLEMENTAL INDENTURE.

No.

U.S.\$

CUSIP No. 88166D AA4  
ISIN No. US88166DAA46

**GLOBAL NOTE****TEVA PHARMACEUTICAL FINANCE III B.V.****1.700% Senior Notes due 2014****Payment of Principal, Interest and Additional Tax Amounts, if any, Unconditionally Guaranteed By****TEVA PHARMACEUTICAL INDUSTRIES LIMITED**

This Global Note is in respect of an issue of 1.700% Senior Notes due 2014 (the "Notes") of Teva Pharmaceutical Finance III B.V., a Curaçao private limited liability company (the "Issuer", which term includes any successor corporation under the Supplemental Indenture and Indenture hereinafter referred to), and issued pursuant to a supplemental indenture and a base indenture, each dated as of March 21, 2011 (respectively, the "Supplemental Indenture" and the "Base Indenture" and together, the "Indenture") among the Issuer, Teva Pharmaceutical

Industries Limited, as guarantor (the “Guarantor”), and The Bank of New York Mellon, a New York banking corporation, as trustee (the “Trustee”). Unless the context otherwise requires, the terms used herein shall have the meanings specified in the Supplemental Indenture and the Base Indenture.

The Issuer, for value received, hereby promises to pay to Cede & Co. or its registered assigns, the principal amount of [ ] United States Dollars (U.S.\$\_\_\_\_\_) on March 21, 2014, and to pay interest on such principal amount in U.S. Dollars at the rate of 1.700% per annum, computed on the basis of a 360-day year consisting of twelve 30-day months, from the date hereof until payment of such principal amount has been made or duly provided for, such interest to be paid semi-annually on March 21 and September 21 of each year, commencing [ ]. The interest so payable on any March 21 or September 21 will, subject to certain exceptions provided in the Supplemental Indenture, be paid to the person in whose name this Note is registered at the close of business on the preceding March 6 or September 6 (whether or not a Business Day).

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

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed manually or by facsimile by its duly authorized officers.

Dated:

TEVA PHARMACEUTICAL FINANCE III B.V.

By: \_\_\_\_\_  
*Name:*  
*Title:*

By: \_\_\_\_\_  
*Name:*  
*Title:*

Trustee's Certificate of Authentication

This is one of the 1.700% Senior Notes due 2014 described in the within-named Supplemental Indenture and Indenture.

THE BANK OF NEW YORK MELLON,  
AS TRUSTEE

By: \_\_\_\_\_  
Authorized Signatory

Dated:

Teva Pharmaceutical Industries Limited (the “Guarantor”) hereby unconditionally and irrevocably guarantees to the Holder of this Note the due and punctual payment of the principal of and interest (including Additional Tax Amounts, if any), on this Note, when and as the same shall become due and payable, whether at Maturity or upon redemption or upon declaration of acceleration or otherwise, according to the terms of this Note and of the Indenture. The Guarantor agrees that in the case of default by the Issuer in the payment of any such principal or interest (including Additional Tax Amounts, if any), the Guarantor shall duly and punctually pay the same. The Guarantor hereby agrees that its obligations hereunder shall be absolute and unconditional irrespective of any extension of the time for payment of this Note, any modification of this Note, any invalidity, irregularity or unenforceability of this Note or the Indenture, any failure to enforce the same or any waiver, modification, consent or indulgence granted to the Issuer with respect thereto by the Holder of this Note or the Trustee, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a demand or proceeding first against the Issuer, protest or notice with respect to this Note or the indebtedness evidenced hereby and all demands whatsoever, and covenants that this Guarantee will not be discharged as to this Note except by payment in full of the principal of and interest (including Additional Tax Amounts, if any) on this Note.

The Guarantor shall be subrogated to all rights of the Holders against the Issuer in respect of any amounts paid by the Guarantor pursuant to the provisions of the Guarantees or this Indenture; *provided, however*, that the Guarantor hereby waives any and all rights to which it may be entitled, by operation of law or otherwise, upon making any payment hereunder (i) to be subrogated to the rights of a Holder against the Issuer with respect to such payment or otherwise to be reimbursed, indemnified or exonerated by the Issuer in respect thereof or (ii) to receive any payment in the nature of contribution or for any other reason, from any other obligor with respect to such payment, in each case, until the principal of and interest (including Additional Tax Amounts, if any) on this Note shall have been paid in full.

The Guarantee shall not be valid or become obligatory for any purpose with respect to this Note until the certificate of authentication on this Note shall have been signed by the Trustee.

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

IN WITNESS WHEREOF, Teva Pharmaceutical Industries Limited has caused the Guarantee to be signed manually or by facsimile by its duly authorized officers.

Dated:

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

By: \_\_\_\_\_

*Name:*

*Title:*

By: \_\_\_\_\_

*Name:*

*Title:*

[FORM OF REVERSE OF FIXED RATE NOTE]

**TEVA PHARMACEUTICAL FINANCE III B.V.**

**1.700% Senior Note due 2014**

**Payment of Principal, Interest and Additional Tax Amounts, if any, Unconditionally Guaranteed By**

**TEVA PHARMACEUTICAL INDUSTRIES LIMITED**

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Principal and Interest.

Teva Pharmaceutical Finance III B.V., a Curaçao private limited liability company (the “Issuer”), promises to pay interest on the principal amount of this Note at the Interest Rate from [ ] until the principal thereof is paid or made available for payment. Interest shall be payable semiannually in arrears on each March 21 and September 21 of each year (each an “Interest Payment Date”), commencing [ ].

Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

A Holder of any Note at the close of business on a Regular Record Date shall be entitled to receive interest on such Note on the corresponding Interest Payment Date.

2. Method of Payment.

Interest on any Note 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 Note (or one or more Predecessor Notes) is registered at the close of business on the relevant Regular Record Date for such interest.

Principal of and interest on Global Notes shall be payable to the Depositary in immediately available funds.

Principal of Physical Notes will be payable at the office or agency of the Issuer maintained for such purpose, initially the Corporate Trust Office of the Trustee. Interest on Physical Notes will be payable by (i) U.S. Dollar check drawn on a bank in The City of New York mailed to the address of the Person entitled thereto as such address shall appear in the register of the Notes, or (ii) upon written application to the Registrar not later than the relevant Record Date by a Holder of an aggregate principal amount of Notes in excess of \$5,000,000, wire transfer in immediately available funds, which application and written wire instructions shall remain in effect until the Holder notifies, in writing, the Registrar to the contrary.

3. Paying Agent and Registrar.

Initially, The Bank of New York Mellon, the Trustee under the Supplemental Indenture, will act as Paying Agent and Registrar. The Issuer may change the Paying Agent or Registrar without notice to any Holder.

4. Supplemental Indenture and Indenture.

The Issuer issued this Note under a Supplemental Indenture and a Base Indenture, each dated as of March 21, 2011 (respectively, the “Supplemental Indenture” and the “Base Indenture” and together, the “Indenture”), among the Issuer, the Guarantor and The Bank of New York Mellon, as trustee (the “Trustee”). The terms of the Note include those stated in the Indenture, and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (“TIA”). This Note is subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture shall control.

5. Optional Redemption.

This Note may be redeemed in whole at any time or in part from time to time, at the option of the Issuer, on any date prior to Maturity, upon notice as set forth in Section 4.2 of the Supplemental Indenture, at a Redemption Price equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments discounted, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate and 12.5 basis points, plus any interest accrued and unpaid to, but excluding, the Redemption Date.

On and after the Redemption Date, interest shall cease to accrue on Notes or portions of Notes called for redemption, unless the Issuer defaults in the payment of the Redemption Price.

Notice of redemption will be given by the Issuer to the Holders as provided in the Supplemental Indenture.

6. Tax Redemption.

The Notes may be redeemed as a whole but not in part, at the option of the Issuer at any time prior to maturity, upon the giving of a notice of tax redemption to the Holders, at a Redemption Price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if the Issuer determines that, as a result of any change in or amendment in the laws of any Taxing Jurisdiction, or any change in official position regarding the application or interpretation of the laws, which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the issuance of the Notes, the Issuer or the Guarantor (or its successor) will be obligated to pay Additional Tax Amounts with respect to the Notes; provided, however, that the Issuer, in its business judgment, determines that such obligation cannot be avoided by the Issuer or the Guarantor (or its successor), taking reasonable measures avoidable to it.

7. Denominations; Transfer; Exchange.

The Notes are issuable in registered form, without coupons, in minimum denominations of \$2,000 principal amount and integral multiples of \$1,000 in excess of \$2,000. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Issuer or the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents, and the Issuer may require a Holder to pay any taxes or other governmental charges that may be imposed in connection with any exchange or registration of transfer of Notes.

The Issuer shall not be required to exchange or register a transfer of (a) any Note for a period of 15 days next preceding the first mailing of notice of redemption of Notes to be redeemed, (b) any Notes selected, called or being called for redemption except, in the case of any Note where notice has been given that such Note is to be redeemed in part, the portion thereof not so to be redeemed or (c) any Notes of any series between a record date and the next succeeding payment date.

In the event of redemption of the Notes in part only, a new Note or Notes for the unredeemed portion thereof will be issued in the name of the Holder hereof.

8. Holders to be Treated as Owners.

The registered Holder of this Note shall be treated as its owner for all purposes.

9. Unclaimed Money.

Any moneys deposited with or paid to the Trustee or any Paying Agent for the payment of the principal of or interest on any Note and not applied but remaining unclaimed for two years after the date upon which such principal or interest shall have become due and payable, shall, upon the written request of the Issuer and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Issuer by the Trustee or such Paying Agent, and the Holder of the Note shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to the Issuer for any payment which such Holder may be entitled to collect, and all liability of the Trustee or any Paying Agent with respect to such moneys shall thereupon cease.

10. Satisfaction and Discharge.

The Issuer and the Guarantor may satisfy and discharge their obligations under the Indenture while the Notes remain outstanding, if (a) all Outstanding Notes have become due and payable at their scheduled Maturity, or (b) all Outstanding Notes have been called for redemption, and in either case, the Issuer has deposited with the Trustee an amount sufficient to pay and discharge all Outstanding Notes on the date of their scheduled Maturity or the scheduled Redemption Date.

11. Supplement; Waiver.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Outstanding Notes (or such lesser amount as shall have acted at a meeting pursuant to the provisions of the Indenture). The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Notes at the time Outstanding, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note or such other Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, places and rate, and in the coin or currency, herein prescribed.

12. Defaults and Remedies.

The Indenture provides that an Event of Default with respect to the Notes occurs when any of the following occurs:

- (a) the Issuer defaults in the payment of the principal of any of the Notes when it becomes due and payable at Maturity, upon redemption or otherwise;
- (b) the Issuer defaults in the payment of interest (including Additional Tax Amounts, if any) on any of the Notes when it becomes due and payable and such default continues for a period of 30 days;
- (c) the Guarantor fails to perform under the Guarantee relating to such series;
- (d) either the Issuer or the Guarantor fails to perform or observe any other term, covenant or agreement contained in the Notes or the Indenture and the default continues for a period of 60 days after written notice of such failure, requiring the Issuer or the Guarantor, respectively, to remedy the same, shall have been given to the Issuer or the Guarantor, respectively, by the Trustee or to the Issuer or the Guarantor, respectively, and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes;
- (e) except as otherwise permitted by the Indenture, the Guarantee is held in any final, nonappealable judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or the Guarantor, or any person acting on behalf of the Guarantor, shall deny or disaffirm its obligations under the Guarantee;

(f)(i) the Issuer or the Guarantor fails to make by the end of the applicable grace period, if any, any payment of principal or interest due in respect of any Indebtedness for borrowed money, the aggregate outstanding principal amount of which is an amount in excess of \$100,000,000; or (ii) there is an acceleration of any Indebtedness for borrowed money in an amount in excess of \$100,000,000 because of a default with respect to such Indebtedness without such Indebtedness having been discharged or such non-payment or acceleration having been cured, waived, rescinded or annulled, in the case of either (i) or (ii) above, for a period of 30 days after written notice to the Issuer by the Trustee or to the Issuer and the Trustee by Holders of at least 25% in aggregate principal amount of the Outstanding Notes; or

(g) there are certain events of bankruptcy, insolvency or reorganization of the Issuer or Guarantor.

If an Event of Default shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Supplemental Indenture.

13. Authentication.

This Note shall not be valid until the Trustee (or authenticating agent) executes the certificate of authentication on the other side of this Note.

14. CUSIP Numbers.

The Issuer has caused CUSIP numbers to be printed on this Note and, therefore, the Trustee shall use CUSIP numbers in notices of redemption as a convenience to Holders. Any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

15. Governing Law.

The Supplemental Indenture, Indenture and this Note shall be governed by, and construed in accordance with, the law of the State of New York.

16. Successor Corporation.

In the event a successor corporation legal entity assumes all the obligations of the Issuer or the Guarantor under this Note, pursuant to the terms hereof and of the Indenture, the Issuer or Guarantor, as the case may be, will be released from all such obligations.

## ASSIGNMENT FORM

To assign this Note, fill in the form below and have your signature guaranteed: (I) or (we) assign and transfer this Note to:

\_\_\_\_\_  
(Insert assignee's soc. sec. or tax I.D. no.)

\_\_\_\_\_  
(Print or type assignee's name, address and zip code)

and irrevocably appoint \_\_\_\_\_ to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Dated: \_\_\_\_\_

Your Name: \_\_\_\_\_  
(Print your name exactly as it appears on the face of this Note)

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee\*:

\_\_\_\_\_  
\* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

**טולצ'ינסקי שטרן מרציאנו כהן לויצקי ושות'**  
**TULCHINSKY STERN MARCIANO COHEN LEVITSKI & Co.**

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|                                       |                                |                         |                          |
|---------------------------------------|--------------------------------|-------------------------|--------------------------|
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| Dafna Achiam, Adv.                    |                                |                         | דפנה אחיעם, ע"ד          |

\*Member of the N.Y. Bar Association

March 21, 2011

Teva Pharmaceutical Industries Limited  
 5 Basel Street  
 Petach Tikvah 49131  
 Israel

Teva Pharmaceutical Finance III B.V.  
 Schottegatweg Oost 29-D  
 Curaçao

Ladies and Gentlemen:

We have acted as Israeli counsel for Teva Pharmaceutical Industries Limited, an Israeli corporation (the "Guarantor") with respect to (i) the issuance and sale by Teva Pharmaceutical Finance III B.V., a private limited liability company organized under the laws of Curaçao and an indirect, wholly owned subsidiary of the Guarantor (the "Company"), of \$250,000,000 in aggregate principal amount of its 1.700% Senior Notes due 2014 (the "Fixed Rate Notes") and \$500,000,000 in aggregate principal amount of its Floating Rate Senior Notes due 2014 (the "Floating Rate Notes" and together with the Fixed Rate Notes, the "Notes"), and (ii) the Guarantor's unconditional

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guarantees of the Notes (the "Guarantees"). The Notes are being issued pursuant to an indenture, dated as of March 21, 2011 as supplemented by a supplemental indenture (such indenture, so supplemented, the "Indenture") to be dated as of March 21, 2011, among the Company, the Guarantor and The Bank of New York Mellon, as Trustee (the "Trustee").

For purposes of the opinions hereinafter expressed, we have reviewed (i) the Registration Statement on Form F-3 (File No. 333-155927) filed by the Guarantor, the Company and other related issuers with the United States Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), on December 4, 2008, which became effective on December 4, 2008 (the "Registration Statement"), (ii) the prospectus of the Guarantor, the Company and other related issuers dated December 4, 2008, as supplemented by a prospectus supplement, dated March 16, 2011 relating to the Notes, as filed in final form with the Commission on March 17, 2011 pursuant to Rule 424(b) under the Securities Act (the "Prospectus") (iii) the Indenture, (iv) the memorandum of association and the articles of association of the Guarantor, (v) copies of the resolutions of the board of directors of the Guarantor, and (vi) such other corporate records, as well as such other material, as we have deemed necessary as a basis for the opinions expressed herein.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, photostatic or facsimile copies and the authenticity of the originals of such copies.

Our opinions set forth herein are based upon our consideration of only these statutes, rules and regulations of the state of Israel which, in our experience, are normally applicable to guarantors or issuers of securities of the nature of the Notes.

Based on and subject to the foregoing, we are of the opinion that:

1. The Indenture has been duly authorized by the Guarantor.
2. The Guarantees have been duly authorized by the Guarantor.

טולצ'ינסקי שטרן מרציאנו כהן לויצקי ושות'  
TULCHINSKY STERN MARCIANO COHEN LEVITSKI & Co.

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3. Under the choice of law or conflicts of law doctrines of Israel, a court, tribunal or other competent authority sitting in Israel has discretion but should apply to any claim or controversy arising under the Indentures, the Notes, the Guarantees the law of the State of New York, which is the local law governing the Indentures and the Guarantees designated therein by the parties thereto, provided there are no reasons for declaring such designation void on the grounds of public policy or as being contrary to Israeli law.

We do not purport to be an expert on the laws of any jurisdiction other than the laws of the State of Israel, and we express no opinion herein as to the effect of any other laws.

This opinion is being rendered solely in connection with the registration of the offering and sale of the Notes, pursuant to the registration requirements of the Securities Act. We hereby consent to the filing of this opinion as an exhibit to the Guarantor's Current Report on Form 6-K, which is incorporated by reference into the Registration Statement and the Prospectus. By giving our consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations issued or promulgated thereunder.

Very truly yours,

/s/ Tulchinsky Stern Marciano Cohen Levitski & Co. Law Offices

Tulchinsky Stern Marciano Cohen Levitski & Co. Law Offices

**WILLKIE FARR & GALLAGHER LLP**

March 21, 2011

Teva Pharmaceutical Industries Limited  
5 Basel Street  
P.O. Box 3190  
Petach Tikva 49131  
Israel

Teva Pharmaceutical Finance III B.V.  
Schottegatweg Oost 29-D  
Curaçao

Ladies and Gentlemen:

We have acted as U.S. counsel to Teva Pharmaceutical Industries Limited, an Israeli corporation (the “Guarantor”) and Teva Pharmaceutical Finance III B.V., a Curaçao private limited liability company and an indirect, wholly owned subsidiary of the Guarantor (“Teva Finance”), in connection with:

- (1) the issuance and sale by Teva Finance of \$500,000,000 in aggregate principal amount of its Floating Rate Senior Notes due 2014 (the “Floating Rate Notes”);
- (2) the issuance and sale by Teva Finance of \$250,000,000 in aggregate principal amount of its 1.700% Senior Notes due 2014 (the “Fixed Rate Notes” and together with the Floating Rate Notes, the “Notes”); and
- (3) the Guarantor’s unconditional guarantees of the Notes (the “Guarantees”).

The Notes are to be issued pursuant to a Senior Indenture, dated March 21, 2011, as supplemented by a First Supplemental Senior Indenture, dated March 21, 2011, by and among Teva Finance, the Guarantor and The Bank of New York Mellon, as trustee (the “Trustee”) (the “Indenture”).

In connection therewith, we have examined (a) the Registration Statement on Form F-3 (File No. 333-155927) filed by the Guarantor, Teva Finance and other related issuers with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Securities Act”), on December 4, 2008 (the “Registration Statement”), (b) the prospectus of the Guarantor, Teva Finance and other related issuers dated December 4, 2008, as supplemented by a prospectus supplement, dated March 16, 2011, relating to the Notes, as filed in final form

with the Commission on March 17, 2011, pursuant to Rule 424(b) under the Securities Act (the “Prospectus”), (c) the Indenture and (d) such other materials as we have deemed necessary as a basis for the opinions expressed herein. Insofar as the opinions expressed herein involve factual matters, we have relied (without independent factual investigation), to the extent we deemed proper or necessary, upon certificates of, and other communications with, officers and employees of Teva Finance and the Guarantor and upon certificates of public officials.

In making the examinations described above, we have assumed the genuineness of all signatures, the capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents.

Our opinions set forth herein are based upon our consideration of only those statutes, rules and regulations which, in our experience, are normally applicable to issuers of securities of the same nature as the Notes.

The opinions expressed herein are limited to matters governed by the federal laws of the United States of America and the laws of the State of New York, and we express no opinion with respect to the laws of any other country, state or jurisdiction.

Based upon and subject to the foregoing, we are of the opinion that:

(i) The Indenture (assuming due authorization by Teva Finance, the Trustee and the Guarantor), when duly executed and delivered by Teva Finance, the Trustee and the Guarantor, will constitute a legally valid and binding agreement of Teva Finance and the Guarantor enforceable against Teva Finance and the Guarantor in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (regardless of whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing.

(ii) The Notes (assuming due authorization thereof by Teva Finance and due authorization of the Guarantees thereof by the Guarantor and their authentication by the Trustee), when they have been duly executed, issued and delivered, will constitute legally valid and binding obligations of Teva Finance, entitled to the benefits of the Indenture and enforceable against Teva Finance in accordance with their terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (regardless of whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing.

(iii) The Guarantees, assuming due authorization, execution and delivery by the Guarantor, will constitute the legally valid and binding obligations of the Guarantor, entitled to the benefit of the Indentures and enforceable against the Guarantor in accordance with their terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (regardless of whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing.

This opinion is being rendered solely in connection with the registration of the offering and sale of the Notes, pursuant to the registration requirements of the Securities Act. We hereby consent to the filing of this opinion as an exhibit to the Guarantor's Current Report on Form 6-K, which is incorporated by reference into the Registration Statement and the Prospectus. By giving our consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations issued or promulgated thereunder.

Very truly yours,

/s/ Willkie Farr & Gallagher LLP

*VanEps Kunneman VanDoorne*

Teva Pharmaceutical Industries Limited  
Teva Pharmaceutical Finance III B.V.

c/o Teva Pharmaceutical Industries Limited  
5 Basel Street  
P.O. Box 3190  
Petach Tikva 49131 Israel

Re: Registration Statement on Form F-3

Curaçao, 21 March 2011

Teva Pharmaceutical Finance III B.V. – Legal Opinion

Ladies and Gentlemen,

We have acted as legal advisers to Teva Pharmaceutical Finance III B.V. (the “**Company**”) for the purpose of rendering an opinion on certain matters of Curaçao law with respect to the issuance and sale by the Company of \$250,000,000 in aggregate principal amount of its 1.700% Senior Notes due 2014 (the “**Fixed Rate Notes**”) and \$500,000,000 in aggregate principal amount of its Floating Rate Senior Notes due 2014 (the “**Floating Rate Notes**” and, together with the Fixed Rate Notes, “**Notes**”). The Notes will be issued pursuant to the Senior Indenture, dated 21 March 2011 (the “**Base Indenture**”), as supplemented by the First Supplemental Indenture, dated 21 March 2011 (the “**Supplemental Indenture**” and together with the Base Indenture, the “**Indenture**”), by and among the Company, Teva Pharmaceutical Industries Limited, an Israeli corporation (the “**Guarantor**”), and The Bank of New York Mellon, as Trustee (the “**Trustee**”).

For the purposes of this opinion, we have examined and relied only on the documents listed in Schedule 1 and Schedule 2, which shall form part of this opinion.

The documents listed in Schedule 1 are referred to as the “**Documents**” and the documents listed in Schedule 2 as the “**Certificates**”.

Unless otherwise defined in this opinion or unless the context otherwise requires, words and expressions defined in the Documents shall have the same meanings when used in this opinion.

In connection with such examination and in giving this opinion, we have assumed:

- (i) the genuineness of the signatures to the Documents and the Certificates, the authenticity and completeness of the Documents and the Certificates submitted to us as originals, the conformity to the original documents of the Documents and the Certificates submitted to us as copies and the authenticity and completeness of those original documents;
- (ii) the legal capacity (*handelingsbekwaamheid*) of the natural persons acting on behalf of the parties, the due incorporation and valid existence of, the power, authority and legal rights of, and the due authorization and execution of the Documents by, the parties thereto (other than the Company) under any applicable law (other than Curaçao law);
- (iii) the due execution by the parties thereto of the Notes submitted to and examined by us in draft in the form of those drafts;
- (iv) the due compliance with all matters of, and the validity, binding effect and enforceability of the Documents under, any applicable law (other than Curaçao law) and in any jurisdiction (other than Curaçao) in which an obligation under the Documents falls to be performed; and
- (v) the accuracy, completeness, validity and binding effect of the Certificates and the matters certified or evidenced thereby at the date hereof and any other relevant date.

This opinion is given only with respect to Curaçao law as generally interpreted and applied by the Curaçao courts at the date of this opinion. The term “Curaçao” does not include Aruba, Sint Maarten and the Dutch Caribbean (Bonaire, Saba and Statia) which are separate jurisdictions. Since 10 October 2010 the Netherlands Antilles ceased to exist as a country and Curaçao became a separate country within the Kingdom of the Netherlands. As to matters of fact we have relied on the Certificates and the representations and warranties contained in or made pursuant to the Documents and the Certificates. We do not express an opinion on the completeness or accuracy of the representations or warranties made by the parties to the Documents, matters of fact, matters of foreign law (other than Curaçao law), international law, including, without limitation, the law of the European Union, and tax, anti-trust and competition law, except to the extent that those representations and warranties and matters of fact and law are explicitly covered by the opinions below. No opinion is given on commercial, accounting or non-legal matters or on the ability of the parties to meet their financial or other obligations under the Documents.

Based on and subject to the foregoing, and subject to the qualifications set out below and matters of fact, documents or events not disclosed to us, we express the following opinions:

1. The Company has been duly incorporated and is validly existing under the law of Curaçao as a private company with limited liability (*besloten vennootschap*) and has all requisite power and authority to own its properties and to conduct its business as described in the Registration Statement and as set forth in the purpose clause (Article 2) of its Articles. The Company has been duly registered with the Chamber of Commerce in Curaçao.
2. The Company has not been wound up (*ontbonden*) nor has it been declared bankrupt (*failliet verklaard*) and the Company has not been granted a (provisional) suspension of payment (*(voorlopige) surséance van betaling*), as indicated by the Extracts as defined in Schedule 2.
3. The Company has the corporate power and authority to execute the Indenture and the Notes, to perform its obligations thereunder and to consummate the transactions contemplated therein.
4. The Company has taken all necessary corporate action to authorize the execution and delivery of the Indenture and the Notes, the performance of its obligations thereunder and the consummation of the transactions contemplated therein.
5. The Indenture has been duly executed and delivered for and on behalf of the Company.
6. Each of the Indenture, and the Notes if and when duly executed and authenticated, is in proper form for its enforcement in the Curaçao courts.
7. It is not necessary in order to ensure the validity, enforceability or admissibility in evidence of the Documents against the Company in the Curaçao courts, that the Documents or any other document in connection therewith be filed, registered or recorded with governmental, judicial or public bodies or authorities in Curaçao or that any other action be taken in Curaçao, except for registration (date stamping) by the Inspector of Taxes in Curaçao of the Documents if and when such Documents are to be used as evidence in the Curaçao courts.
8. The Company has the legal capacity to sue and be sued in its own name under the laws of Curaçao.
9. The execution by the Company of the Documents, the performance by the Company of its obligations thereunder and the consummation of the transactions contemplated therein do not conflict with or result in a violation of (i) any provision of the Articles of the Company or (ii) any existing provision of, or rule or regulation under, Curaçao law,

applicable to companies generally or to the best of our knowledge (iii) of any judgment, decree or order of any Curaçao court or governmental agency of or in Curaçao applicable to the Company or any of its properties or assets.

10. The Company has been granted a general exemption from Curaçao foreign exchange control regulations by the Central Bank of Curaçao and Sint Maarten (formerly named the Bank of the Netherlands Antilles) as well as a business license and an exemption from article 45 of the National Ordinance on the Supervision of Banking and Credit Institutions 1994 (NG 1994, no. 4) issued by the Central Bank of Curaçao and Sint Maarten with respect to the issuance of notes, which exemptions and licenses are in full force and effect, based on the Management Certificate. No other consent, approval, authorization or order of, of qualification, filing or registration with, any governmental body or agency in Curaçao or any Curaçao person having due authority over the Company, is required for the execution, delivery or performance by the Company of its obligations under the Documents or the consummation of the transactions contemplated thereby or the execution, issue, sale or delivery of the notes, except as set forth in paragraph 7 of this opinion.
11. The choice of the laws of the State of New York to govern the Indenture and the Notes is a valid choice of law and such law would accordingly be applied by the Curaçao courts if such Documents or any claim thereunder comes under their jurisdiction upon proper proof of the relevant provisions of such law.
12. The submission by the Company in the Documents to the non-exclusive jurisdiction of the federal or state court sitting in New York City and the irrevocable appointment in the Documents by the Company of Teva Pharmaceuticals USA, Inc. – as Agent to accept service of process in respect of the jurisdiction of the federal or state sitting in New York City are valid and legally binding on the Company. The choice of the laws of the State of New York, the aforementioned submission and the aforementioned appointment, would be upheld by the Curaçao courts, except that such submission does not preclude that claims for provisional measures, claims below the amount of ANG 10,000 (USD 5,600) or the equivalent thereof, or requests to levy pre-trial attachments (*conservatoire beslagen*) be brought before the competent Curaçao court.
13. In proceedings undertaken in Curaçao, neither the Company nor any of its assets is immune from legal action or proceeding (including, without limitation, suit, attachment prior to judgment, execution or other legal process).
14. A final judgment rendered by a New York court would not automatically be enforceable in Curaçao. However, a final judgment obtained in a New York court and not rendered by default, which is not subject to appeal or other means of contestation and is enforceable in New York with respect to the payment obligations of the Company

under the Documents would generally be upheld and be regarded by a Curaçao court of competent jurisdiction as conclusive evidence when asked to render a judgment in accordance with that judgment by a New York court, without substantive re-examination or re-litigation of the merits of the subject matter thereof, if that judgment has been rendered by a court of competent jurisdiction, in accordance with the principles of natural justice, its content and enforcement do not conflict with Curaçao public policy and it has not been rendered in proceedings of a penal or revenue or other public law nature.

15. Save for (i) a nominal stamp tax amounting to ANG 10 (USD 5.60) per page which will be due in respect of the Documents if and when those Documents are executed in Curaçao and, if they are not executed in Curaçao, if and when those Documents are to be used as evidence in the Curaçao courts or registered in Curaçao and (ii) a registration tax of ANG 5 (USD 2.80) per document which will be due for each Document, respectively, when Documents are to be used as evidence in the Curaçao courts or are to be registered with (date stamped by) the Inspector of Taxes in Curaçao, no similar taxes or charges of any kind are payable in Curaçao in respect of the execution of any of the Documents or the enforcement or admissibility in evidence thereof in the courts of Curaçao (except for court fees payable in connection with litigation in the courts of Curaçao in respect of any of the Documents). As to the requirements of the aforementioned registration with (date stamping by) the Inspector of Taxes in Curaçao, we refer to opinion paragraph 7 above.

The opinions expressed above are subject to the following qualifications:

- (A) Our opinions expressed herein are subject to and limited by applicable bankruptcy, insolvency, reorganization, suspension of payment and other laws relating to or affecting the rights of creditors or secured creditors generally.
- (B) Delivery of documents is not a concept of Curaçao law and we have therefore assumed the due delivery of the Documents by the parties thereto under any applicable law in which such concept is relevant.
- (C) The enforcement in Curaçao of the Documents is subject to the Curaçao rules of civil procedure as applied by the Curaçao courts.
- (D) The availability in the Curaçao courts of remedies, such as injunction and specific performance, is at the discretion of the courts.
- (E) The Curaçao courts may stay or refer proceedings if concurrent proceedings are being brought elsewhere.

- (F) The Curaçao courts may render judgments for a monetary amount in foreign currencies, but those foreign currency amounts may be converted into Netherlands Antilles Guilders for enforcement purposes. Foreign currency amounts claimed in a Curaçao (provisional) suspension of payment or bankruptcy proceeding will be converted into Netherlands Antilles Guilders at the rate prevailing at the date of commencement of that proceeding.
- (G) The choice of the laws of the State of New York to govern the Documents would be upheld by the Curaçao courts, except that under the rules of Curaçao private international law (and those of the Convention on the Law Applicable to Contractual Relations of 19 June 1980 (the “**Rome Convention**”)), effect may be given to the mandatory rules of the law of another country with which the situation has a close connection, if and insofar as, under the law of that other country, those rules must be applied whatever the law applicable to the contract (Article 7 of the Rome Convention).
- (H) Under the Curaçao rules of corporate benefit and fraudulent preference, the validity of a legal act (such as the execution of an agreement or the giving of guarantees or security) performed by a company or governed by Curaçao law may be contested. Without purporting to be comprehensive, we would particularly draw your attention to the following:
- (a) the validity of a legal act performed by a company may be contested by the company or, in case of its bankruptcy, its public receiver in bankruptcy (*curator*), if as a result the objects as stated in the articles of the company or the principles of corporate (financial) benefit are transgressed and the party which dealt with the company is aware of this transgression or, without personal investigation, should have been so aware; and
  - (b) if a legal act performed by a company is prejudicial to the interests of the creditors of that company, the validity of that legal act may in certain circumstances be contested by those creditors or the public receiver in bankruptcy of that company.
- (I) A power of attorney granted by a Curaçao company will automatically, *i.e.* by operation of law, terminate upon the bankruptcy of that company or become ineffective, when that company has been granted a (provisional) suspension of payment. To the extent that the appointment of a process agent by a company constitutes the granting of a power of attorney to that process agent, the service of process on that agent on or after the date on which that company has been declared bankrupt or it has been granted a (provisional) suspension of payment, would not be valid and effective, except to the extent authorized by the public receiver in bankruptcy (*curator*) or administrator (*bewindvoerder*), as the case may be.

This opinion, which is strictly limited to the matters stated herein and which is not to be read as extending by implication to any other matter, is given on the basis that it is governed by and to be construed in accordance with Curaçao law and that any action, arising out of it, is to be determined by the competent court in Curaçao which shall have exclusive jurisdiction in relation thereto. The partnership VanEps Kunneman VanDoorne has limited its liability to any proceeds available under the partnership's professional liability insurance, and reliance by anyone on this opinion will be deemed acceptance of such choice of law and forum and limitation of liability. We do not assume any obligation to advise you (or any other person entitled to rely on this opinion) of any subsequent change in, or in the interpretation of, Curaçao law.

This opinion is being rendered solely in connection with the registration of the offering and sale of the Notes, pursuant to the registration requirements of the Act (as defined on Schedule 1). We hereby consent to the filing of this opinion as an exhibit to the Guarantor's Current Report on Form 6-K, which is incorporated by reference into the Registration Statement and the Prospectus (each as defined on Schedule 1). By giving our consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations issued or promulgated thereunder.

The remainder of this page is left blank intentionally. The signature follows on the next page.

Yours faithfully,  
VANEPS KUNNEMAN VANDOORNE

/s/ F.W. Lunsingh Scheurleer

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F.W. Lunsingh Scheurleer

SCHEDULE 1

DOCUMENTS

- (a) A copy of the Registration Statement on Form F-3 (File No. 333-155927) filed by the Guarantor, the Company and certain other finance subsidiaries of the Guarantor, with the U.S. Securities and Exchange Commission pursuant to the U.S. Securities Act of 1933, as amended (the “**Act**”), on December 4, 2008 (the “**Registration Statement**”);
- (b) a copy of the executed Indenture, which is expressed to be governed by the laws of the State of New York;
- (c) copies of the executed global notes representing the Fixed Rate Notes and the Floating Rate Notes, respectively, which are expressed to be governed by the laws of the State of New York;
- (d) a copy of an executed underwriting agreement (the “**Underwriting Agreement**”), which is expressed to be governed by the laws of the State of New York, dated 16 March 2011 and made between (i) Teva Pharmaceutical Industries Limited, as Guarantor, (ii) the Company and (iii) Barclays Capital Inc., Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, on behalf of the several Underwriters named in Schedule I to the Underwriting Agreement;
- (e) a copy of a preliminary prospectus, consisting of a preliminary prospectus supplement dated 16 March 2011 together with a prospectus dated December 4, 2008 regarding the offering by Teva Pharmaceutical Finance III B.V. of an unspecified principal amount of the Fixed Rate Notes guaranteed by Teva Pharmaceutical Industries Limited and an unspecified principal amount of the Floating Rate Notes guaranteed by Teva Pharmaceutical Industries Limited (the “**Preliminary Prospectus**”); and
- (f) a copy of a prospectus, consisting of a prospectus supplement dated 16 March 2011 together with a prospectus dated December 4, 2008 regarding the offering by Teva Pharmaceutical Finance III B.V. of USD 250,000,000 of the Fixed Rate Notes guaranteed by Teva Pharmaceutical Industries Limited and USD 500,000,000 of the Floating Rate Notes guaranteed by Teva Pharmaceutical Industries Limited (the “**Prospectus**”).

SCHEDULE 2  
CERTIFICATES

- (a) a copy of the deed of incorporation, incorporating the articles (*statuten*) of the Company, dated 9 December 2003 (the “**Articles**”);
- (b) a copy of the register of shareholders of the Company (the “**Shareholders Register**”);
- (c) a copy of an official extract, dated 10 March 2011, updated by a computer generated extract of even date herewith, from the Commercial Register (*Handelsregister*) of the Curaçao Chamber of Commerce and Industry (*Kamer van Koophandel en Nijverheid*) in respect of the Company (the “**Extracts**”);
- (d) a copy of a business license, dated 9 February 2004, issued by the Government of the Island Territory of Curaçao (*het Bestuurscollege*), pertaining to the Company;
- (e) copies of two letters to the Government of Curaçao, both dated 11 March 2011, requesting for a director’s license for George F.J.M. van Zinnicq Bergmann and Roland A. Beunis respectively, as managing directors of the Company;
- (f) a copy of a foreign exchange exemption, dated 17 December 2003, issued by the Central Bank of the Netherlands Antilles (currently named Central Bank of Curaçao and Sint Maarten), pertaining to the Company;
- (g) a copy of the exemption from the prohibition in article 45 of the National Ordinance on the Supervision of Banking and Credit Institutions, dated 15 March 2011, issued by Central Bank of Curaçao and Sint Maarten, with respect to the issuance of notes by the Company pursuant to the Indenture;
- (h) a copy of a declaration from the Court Registry (*griffie*) in Curaçao, dated 11 March 2011, pertaining to the Company;
- (i) a copy of the resolutions of the Board of Managing Directors (*bestuur*) and Board of Supervisory Directors (*raad van commissarissen*) of the Company, dated 11 March 2011 (the “**Board Resolutions**”);
- (j) a copy of pricing minutes of the Company adopted by George F.J.M. van Zinnicq Bergmann and Edgard V. Lotman dated 16 March 2011; and
- (k) a copy of a directors’ certificate (“**Directors’ Certificate**”) of the Management Board of the Company dated 21 March 2011.