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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended: DECEMBER 31, 1993 Commission file number: 1-71

BORDEN, INC.

New Jersey

13-0511250

(State of incorporation)

(I.R.S. Employer Identification No.)

180 East Broad St., Columbus, OH 43215

614-225-4000

(Address of principal executive offices)

(Registrant's telephone number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
-----	-----
Common stock par value \$0.625*	New York Stock Exchange
Preferred Share Purchase Rights	"

* Common stock also listed on exchanges in Switzerland and Tokyo

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

NONE

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and is not contained in the definitive proxy statement incorporated by reference in Part III of this Form 10-K. [X].

Aggregate market value in thousands of the voting stock held by nonaffiliates of the Registrant based upon the average bid and asked prices of such stock on January 31, 1994: \$2,197,270.

Number of shares of Common Stock, \$0.625 par value, outstanding as of the close of business on January 31, 1994: 141,391,826

DOCUMENTS INCORPORATED BY REFERENCE

Document

Incorporated

Portions of Annual Report to Shareholders for year
ended December 31, 1993

Part I, Part II, Part IV

Portions of the 1994 Proxy Statement

Part III

The Exhibit Index is located herein at sequential pages 7 through 10.

Part I

Item 1. Business

The Company was incorporated on April 24, 1899. Information on the nature and type of business and industry segments is contained on pages 24-26 of the Company's 1993 Annual Report to Shareholders. A three-year summary of sales and operating income by operating division is presented on page 21 of the Company's 1993 Annual Report to Shareholders. All of the aforementioned pages are incorporated herein by reference in this Form 10-K Annual Report.*

Item 2. Properties

Information on properties, contained on page 25 of the Company's 1993 Annual Report to Shareholders, is incorporated herein by reference in this Form 10-K Annual Report.*

Item 3. Legal Proceedings

Environmental Proceedings

The Company is involved in various proceedings relating to the designation of certain waste sites for cleanup where the Company, along with a large number of other companies, has potential liability under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or similar state environmental laws. While the Company's ultimate liability will depend on many factors including its volumetric share of waste, the financial viability of the other companies and the remediation methods and technology used, management has determined that, as of the date hereof, any costs incurred in connection with individual sites will not be significant and even in the aggregate, will not have a material adverse effect on the financial condition of the Company.

Private actions have been filed against the Company and numerous other defendants beginning in 1986 in the State Court in Livingston Parish, Louisiana, alleging personal injuries and property damage in connection with a waste disposal site in Louisiana. Beginning in 1987, similar actions were filed in state court in Camden, New Jersey, in connection with a waste disposal site in New Jersey.

The Company's involvement in actions which were pending in Federal District Court in Baton Rouge, Louisiana arising from a waste disposal site in Louisiana was settled (January 1994) with payment by the Company of approximately \$27,000.

In February, 1993, an EPA Administrative Law Judge held that the Borden Chemicals and Plastics Limited Partnership ("BCP") Illiopolis, Illinois facility violated CERCLA and the Emergency Planning and Community Right to Know Act ("EPCRA") by failing to report certain relief valve releases that the Company believes are exempt from CERCLA and EPCRA reporting. A petition for reconsideration has been filed. In addition, the Louisiana Department of Environmental Quality ("LDEQ") has determined that a production

* Except as specifically indicated herein, no other data appearing in the Company's 1993 Annual Report to Shareholders is deemed to be filed as part of this Form 10-K Annual Report.

unit at BCP's Geismar facility should be subject to regulation under Louisiana's hazardous waste statutes and regulations. That decision has been appealed to the state courts. It is believed that allegations relating to federal hazardous waste issues are being contemplated by the U.S. EPA. BCP maintains that the production unit is not subject to regulation under federal or state hazardous waste laws. The Company would be responsible for any violations that predate the formation of BCP.

The U.S. EPA has issued a notice of violation alleging the violation of air pollution regulations by a plant in Massachusetts (September 1988). Allegations filed in Federal District Court in Helena, Montana in 1991 of water pollution violations were resolved in October 1993 by the Company entering into a consent decree and paying a civil fine of \$265,000.

A notice of violation has been issued by the Maine Department of Environmental Protection (April 1991) alleging the violation of certain solid waste and wetlands regulations at a Scarborough, Maine facility.

OTHER LEGAL PROCEEDINGS

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The States of West Virginia, Virginia and Ohio have filed suits (12/93, 4/93 and 8/93) alleging antitrust violations in connection with the sale of milk to schools in West Virginia, Virginia and Ohio school districts. A private antitrust suit containing similar allegations was filed in Federal Court in Oklahoma (4/93) on behalf of four school districts and seeks class action certification. Federal Grand Jury investigations of similar allegations are pending in Michigan, Indiana and Kentucky (6/91), Oklahoma (8/92), Ohio (2/93) and the Plains States (9/93). Similar investigations by the state Attorneys General are pending in Illinois (11/91) and North Carolina (6/93). Two private antitrust suits alleging price fixing of wholesale/retail accounts were filed in Florida (7/93) and W. Virginia (9/93).

From 1973 through 1980 the Company manufactured chemical components under the name "Insulspray," for on-site installation of urea-formaldehyde foam insulation in residences and commercial buildings. The Company has been a defendant in litigation in Montreal, Canada involving allegations of personal injury or property damage arising from the misapplication of, or defects in, the insulation. The litigation, which was tried from September 1983 through December 1989, was dismissed by the trial court in December 1991. An Appeal has been filed by plaintiffs.

The Company and its Directors have been sued by persons purporting to represent a class of purchasers of shares of the Company in Federal District Court in New York (December 1993) for alleged violations of the Securities Exchange Act of 1934 in connection with certain statements made by or on behalf of the Company in 1992 and 1993.

In addition, Company is involved in other litigation throughout the United States which is considered to be in the ordinary course of the Company's business.

The Company believes, based upon the information it presently possesses, and taking into account its established accruals for estimated liability and its insurance coverage, including its risk retention program, that the foregoing proceedings and actions are unlikely to have a materially adverse effect on the Company's financial position or operating results.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted during the fourth quarter of 1993 to a vote of security holders, through the solicitation of proxies or otherwise.

Part II

Item 5. Market for the Registrant's Common Equity and Related

Stockholder Matters

The Company's common stock is traded on the New York Stock Exchange and exchanges in Tokyo, Japan; and Basel, Geneva, Lausanne and Zurich, Switzerland. The following information included in the 1993 Annual Report to Shareholders is incorporated herein by reference in this Form 10-K Annual Report:*

[#] The high and low sales prices of the Company's common stock for each quarterly period during the last two fiscal years, Note 15 page 40.

[#] The amount of quarterly dividends paid during the last two fiscal years, Note 15, page 40.

The high and low sales prices of the Company's common stock on January 31, 1994 were \$15.750 and \$15.375, respectively.

The approximate number of holders of common stock, \$0.625 par value, as of January 31, 1994 was 40,818.

Item 6. Selected Financial Data

The five-year selected financial data for the years 1989 through 1993, appearing on page 44 of the 1993 Annual Report to Shareholders, is incorporated herein by reference in this Form 10-K Annual Report.*

Item 7. Management's Discussion and Analysis of Financial Condition

and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations, appearing on pages 18 through 24 of the 1993 Annual Report to Shareholders, is incorporated herein by reference in this Form 10-K Annual Report.*

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements and the report thereon of Price Waterhouse dated March 20, 1994 appearing on pages 27 through 41 of the 1993 Annual Report to Shareholders, are incorporated herein by reference in this Form 10-K Annual Report.*

Item 9. Changes in and Disagreements with Accountants on Accounting and

Financial Disclosure

No Form 8-K was issued by the Company during the two most recent fiscal years ended December 31, 1993 reporting a change in or disagreement with accountants.

* Except as specifically indicated herein, no other data appearing in the Company's 1993 Annual Report to Shareholders is deemed to be filed as part of this Form 10-K Annual Report.

Part III

Item 10. Directors and Executive Officers of the Registrant

(a) The information relating to directors required by this item will be contained under the caption "ELECTION OF DIRECTORS" in a definitive Proxy Statement involving the election of directors which the registrant will file with the Securities and Exchange Commission not later than 120 days after December 31, 1993 (the "1994 Proxy Statement"), and such information is incorporated herein by reference.

(b) Set forth below are the names and ages of the Executive Officers of the Company and the positions and offices with the Company presently held by each of them. Their terms of office extend to the next Annual Meeting of the Board of Directors or until their successors are elected. There are no family relationships between any of the Executive Officers of the Company.

Name	Position & Office	Age on Dec. 31, 1993	Served In Present Position Since
*E. R. Shames	President and Chief Executive Officer	53	1993
J. M. Saggese	Executive Vice President, President Packaging and Industrial Products Division Domestic and International	62	1990
**L. O. Doza	Senior Vice President and Chief Financial Officer	55	1985
A. L. Miller	Senior Vice President and Chief Administrative Officer	61	1985
G. P. Morris	Vice President and Chief Strategic Officer, Vice President of Finance - North American and International Foods Divisions	49	1994
R. D. Kautto	Vice President - Human Resources	48	1994
D. A. Kelly	Vice President and Treasurer	55	1980
**W. W. Kocher	Vice President and General Counsel	59	1979
P. J. Keuper	Vice President - Public Affairs	60	1991
P. J. Josenhans	Secretary	57	1991

* Also a Director of Borden, Inc.

** Mr. Lawrence O. Doza and Mr. Walter W. Kocher resigned effective March 1, 1994 and February 28, 1994, respectively.

E. R. Shames was elected Chief Executive Officer effective December 9, 1993. He is also President, to which he was elected effective June 28, 1993. Prior to that he was Chairman, President and Chief Executive Officer of the Stride Rite Corporation since 1990. Prior to that he was Chairman, President and Chief Executive Officer of the Kendall Company.

J. M. Saggese has been Executive Vice President of the Company and President of the Packaging and Industrial Products Division Domestic and International since July 1, 1990. Prior to that he served as a Senior Group Vice President of the Packaging and Industrial Products Division Domestic and International since January 1, 1989.

G. P. Morris was elected Vice President and Chief Strategic Officer effective February 7, 1994. He is also Vice President of Finance - North American and International Foods Division, to which he was elected effective September 9, 1993. Prior to that he was Vice President and Group Executive of Maxwell House Coffee Company.

R. D. Kautto was elected Vice President - Human Resources effective February 1, 1994. Prior to that he was Vice President - Employee Relations at Phillip Morris Companies, Inc. since 1992. Prior to that he was Vice President - Human Resources at General Foods U.S.A.

P. J. Keuper was elected Vice President - Public Affairs effective September 1, 1991. Prior to that he served as the Company's outside public relations counsel as a Managing Director of Adams & Rinehart.

P. J. Josenhans was elected Secretary of the Company effective April 26, 1991. He has served as Associate General Counsel since 1982.

Item 11. Executive Compensation

The information required by this item will be contained in the Company's 1994 Proxy Statement beginning with the information contained under the caption "COMPENSATION OF DIRECTORS" and continuing through the caption "EMPLOYMENT, TERMINATION AND CHANGE IN CONTROL ARRANGEMENTS," and such information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this item will be contained under the caption "OWNERSHIP BY MANAGEMENT OF EQUITY SECURITIES" in the Company's 1994 Proxy Statement, and such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

Not applicable

Part IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

a) 1. Financial Statements

The Consolidated Financial Statements and the report thereon of Price Waterhouse dated March 20, 1994, appearing on pages 27 to 41 of the 1993 Annual Report to Shareholders, are incorporated herein by reference in this Form 10-K Annual Report. Except as specifically indicated herein, no other data appearing in the Company's 1993 Annual Report to Shareholders is deemed to be filed as part of this Form 10-K Annual Report.

2. Financial Statement Schedules

The following additional financial data should be read in conjunction with the Consolidated Financial Statements in the 1993 Annual Report to Shareholders. All other schedules have been omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or Notes thereto. Financial statements of 50% or less owned persons and other unconsolidated persons accounted for by the equity method have been omitted because considered in the aggregate as a single subsidiary they do not constitute a significant subsidiary.

Additional Financial Data	Sequential Page
Report of independent accountants on financial statement schedules	12
Financial schedules:	
Property and equipment (Schedule V)	13
Accumulated depreciation of property and equipment (Schedule VI)	14

3. Exhibits

Executive Compensation Plans and Arrangements are listed herein at Exhibits (10)(iv) through (10)(xiv)(f).

- (3)(i) Restated Certificate of Incorporation and Amendments, incorporated herein by reference from Exhibit 3(i) to the 1992 Form 10-K Annual Report.
- (ii) By-Laws.
- (4)(i) Form of Indenture dated as of January 15, 1983, as supplemented by the First Supplemental Indenture dated as of March 31, 1986 relating to the \$200,000,000 8-3/8% Sinking Fund Debentures due 2016, incorporated herein by reference from Exhibit 4(a) and (b) to Amendment No. 1 to Registration Statement of Form S-3, File No. 33-4381.

- (ii) Form of Indenture dated as of December 15, 1986, as supplemented by the First Supplemental Debenture dated as of December 15, 1986 relating to the \$315,000,000 Medium Term Notes, Series A, incorporated herein by reference from Exhibit 4(a) through (d) to Amendment No. 1 to Registration Statement on Form S-3, File No. 33-8775.
- (iii) Form of Indenture dated as of December 15, 1987, as supplemented by the First Supplemental Indenture dated as of December 15, 1987 and the Second Supplemental Indenture dated as of February 1, 1993, incorporated herein by reference from Exhibit 4(a) through (d) to Registration Statement on Form S-3, File No. 33-45770, relating to the following Debentures and Notes:
 - (a) The \$125,000,000 9-7/8% Notes due November 1, 1997.
 - (b) The \$150,000,000 9-1/4% Sinking Fund Debentures due 2019.
 - (c) The \$200,000,000 9-1/5% Debentures due 2021.
 - (d) The \$250,000,000 7-7/8% Debentures due 2023.
- (iv) Form of Indenture relating to Zero Coupon Notes due 2002, dated as of May 21, 1992, incorporated herein by reference from Exhibit 4(iv) to the 1992 Form 10-K Annual Report.
- (v) Form of Lynx Equity Unit Agreement relating to Zero Coupon Notes due 2002, dated as of May 21, 1992, incorporated herein by reference from Exhibit 4(v) to the 1992 Form 10-K Annual Report.
- (10)(i) Rights Agreement dated as of January 28, 1986, relating to preferred share purchase rights, incorporated herein by reference from Exhibit I to the Registrant's Form 8-K, dated January 28, 1986.
 - (ii) Amendment to Rights Agreement dated as of November 29, 1988, incorporated herein by reference from Exhibit I to the Registrant's Form 8, dated December 6, 1988.
 - (iii) Second Amendment to Rights Agreement dated as of May 22, 1991, incorporated herein by reference from Exhibit I to the Registrant's Form 8, dated June 7, 1991.
 - (iv) 1994 Management Incentive Plan.
 - (v) 1994 Stock Option Plan.

- (vi) Executive Family Survivor Protection Plan as amended through December 9, 1993.
- (vii) Executives Excess Benefits Plan as amended through December 9, 1993.
- (viii) Executives Supplemental Pension Plan as amended through December 9, 1993.
- (ix) Advisory Directors Plan, incorporated herein by reference from Exhibit 10(viii) to the 1989 Form 10-K Annual Report.
- (x) Advisory Directors Plan Trust Agreement, incorporated herein by reference from Exhibit 10(ix) to the 1988 Form 10-K Annual Report.
- (xi) Supplemental Benefit Trust Agreement as amended through December 9, 1993.
- (xii) Form of Indemnification Letter Agreements entered into with all Directors of the Company, incorporated herein by reference from Exhibit 10(xii) to the 1988 Form 10-K Annual Report.
- (xiii) Form of Letter Agreement entered into with all holders of stock appreciation rights, incorporated herein by reference from Exhibit 10(xiii) to the 1989 Form 10-K Annual Report.
- (xiv)
 - (a) Agreement with Mr. A. S. D'Amato, Chairman and Chief Executive Officer, incorporated herein by reference from Exhibit 10(i) to the June 30, 1993 Form 10-Q.
 - (b) Amendment to Agreement with Mr. A. S. D'Amato, incorporated herein by reference from Exhibit 10(i) to the September 30, 1993 Form 10-Q.
 - (c) Supplement to Agreement with Mr. A. S. D'Amato.
 - (d) Agreement with Mr. E. R. Shames, President and Chief Operating Officer, incorporated herein by reference from Exhibit 10(ii) to the June 30, 1993 Form 10-Q.
 - (e) Description of Amendment to Agreement with Mr. E. R. Shames.
 - (f) Agreement with Mr. R. J. Ventres, Chairman of the Executive Committee, incorporated herein by reference from Exhibit 10(xvii)(b) to the 1991 Form 10-K Annual Report.

- (g) Description of Amendment to Agreement with Mr. R. J. Ventres.
- (h) Form of salary continuance arrangement with Executive Officers, incorporated herein by reference from Exhibit 10(ix)(c) to the 1987 Form 10-K Annual Report.
- (i) Agreement with Mr. J. G. Hettinger.
- (j) Agreement with Mr. G. J. Waydo.
- (xv) Second Amended and Restated Deposit Agreement, dated February 16, 1993 among Borden Chemicals and Plastics Limited Partnership, Society National Bank, Borden, Inc. and BCP Management, Inc., incorporated herein by reference from Exhibit 10 (xviii) to the 1992 Form 10-K Annual Report.
- (12) Calculation of Ratio of Earnings to Fixed Charges.
- (13) Portion of 1993 Annual Report to Shareholders.
- (22) Subsidiaries of Registrant.
- (24) The Consent of Independent Accountants and Report of Independent Accountants on Financial Statement Schedules appear on page 12 of this Form 10-K Annual Report.

Copies of the foregoing Exhibits are available to Shareholders of record upon written request to Investor Relations at the Executive Offices of the Company, and the payment of \$.50 per page to help defray the cost of handling, copying, and postage.

(b) Reports on Form 8-K

On December 13, 1993 Borden, Inc. filed a Form 8-K which announced the resignation by Anthony S. D'Amato of his position as Director, Chairman and Chief Executive Officer of Borden, Inc. and the appointment of Frank J. Tasco as Chairman of the Board and Ervin R. Shames as Chief Executive Officer.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BORDEN, INC.

By /s/ George P. Morris

George P. Morris, Vice President
and Chief Strategic Officer (Principal
Financial Officer)

By /s/ Richard W. Pennell

Richard W. Pennell, Assistant General
Controller (Principal Accounting Officer)

Date: March 29, 1994

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities indicated, on the date set forth above.

Signature -----	Title -----
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/s/ F. J. Tasco ----- (F. J. Tasco)	Director and Chairman of the Board
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/s/ E. R. Shames ----- (E. R. Shames)	Director, President and Chief Executive Officer
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/s/ Frederick E. Hennig ----- (Frederick E. Hennig)	Director
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/s/ Wilbert J. LeMelle ----- (Wilbert J. LeMelle)	Director
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/s/ Robert P. Luciano ----- (Robert P. Luciano)	Director
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/s/ H. Barclay Morley ----- (H. Barclay Morley)	Director
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/s/ John E. Sexton ----- (John E. Sexton)	Director
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/s/ Patricia Carry Stewart ----- (Patricia Carry Stewart)	Director
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REPORT OF INDEPENDENT ACCOUNTANTS ON

FINANCIAL STATEMENT SCHEDULES

To the Board of Directors of
Borden, Inc.

Our audits of the consolidated financial statements referred to in our report dated March 20, 1994 appearing on page 41 of the 1993 Annual Report to Shareholders of Borden, Inc., (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14 (a) 2 of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE

Columbus, Ohio
March 20, 1994

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-3 (No. 33-45770) and Form S-8 (No. 33-24225 and No. 2-91503) of Borden, Inc. of our report dated March 20, 1994 appearing on page 41 of the Annual Report to Shareholders which is incorporated by reference in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page 12 of this Form 10-K.

PRICE WATERHOUSE

Columbus, Ohio
March 28, 1994

BORDEN, INC.
AND CONSOLIDATED SUBSIDIARIES
PROPERTY AND EQUIPMENT

(IN MILLIONS)

CLASSIFICATION	ADDITIONS AT COST			DEDUCTIONS			BALANCE DECEMBER 31	
	BALANCE JANUARY 1	CAPITAL EXPENDITURES	BUSINESSES ACQUIRED IN PURCHASE TRANSACTIONS	RETIREMENTS OR SALES	DIVESTITURES	AMORTIZATION		OTHER ADDITIONS (DEDUCTIONS)
YEAR ENDED DECEMBER 31, 1993								
LAND	\$ 125.6	\$ 2.1		\$ 6.1	\$ 1.2		\$ (14.9)	\$ 105.5
BUILDINGS	815.5	28.7	\$ 1.0	22.8	3.0		(208.8)	609.6
MACHINERY AND EQUIPMENT	\$2,389.5	146.2		45.4	27.5	\$6.4 (1)	(508.1)	1,949.3
	-----	-----	-----	-----	-----	-----	-----	-----
	\$3,330.6	\$177.0	\$ 1.0	\$74.3	\$31.7	\$6.4 (1)	\$(731.8) (2)	\$2,664.4
	=====	=====	=====	=====	=====	=====	=====	=====
YEAR ENDED DECEMBER 31, 1992								
LAND	\$ 122.6	\$ 4.4	\$ 0.3	\$ 1.4	\$ 0.9		\$ 0.4	\$ 125.6
BUILDINGS	782.1	55.3	1.5	13.3	11.6		1.5	815.5
MACHINERY AND EQUIPMENT	2,338.7	226.5	5.1	50.2	55.7	\$5.1 (1)	(66.8)	2,389.5
	-----	-----	-----	-----	-----	-----	-----	-----
	\$3,243.6	\$286.2	\$ 6.9	\$64.9	\$68.2	\$6.1	\$ (66.9) (2)	\$3,330.6
	=====	=====	=====	=====	=====	=====	=====	=====
YEAR ENDED DECEMBER 31, 1991								
LAND	\$ 113.1	\$ 9.9	\$ 2.1	\$ 1.6	\$ 0.5		\$ (0.2)	\$ 122.8
BUILDINGS	675.1	117.6	6.0	6.3	4.4		(5.9)	782.1
MACHINERY AND EQUIPMENT	2,220.8	248.5	7.7	71.6	7.1	\$5.9 (1)	(53.5)	2,338.7
	-----	-----	-----	-----	-----	-----	-----	-----
	\$3,009.0	\$376.0	\$15.8	\$79.7	\$12.0	\$5.9	\$ (59.6) (2)	\$3,243.6
	=====	=====	=====	=====	=====	=====	=====	=====

(1) PRIMARILY AMORTIZATION OF CASES AND CANS WHICH IS RECORDED AS DEPRECIATION EXPENSE.

(2) IN 1993, \$659.6 WAS RECLASSIFIED TO NET ASSETS OF DISCONTINUED OPERATIONS. OTHER DEDUCTIONS CONSIST PRIMARILY OF TRANSLATION ADJUSTMENTS.

BORDEN, INC.
AND CONSOLIDATED SUBSIDIARIES
ACCUMULATED DEPRECIATION OF
PROPERTY AND EQUIPMENT

(IN MILLIONS)

CLASSIFICATION	BALANCE JANUARY 1	ADDITIONS CHARGED TO COSTS AND EXPENSES	DEDUCTIONS			BALANCE DECEMBER 31
			ACCUMULATED DEPRECIATION APPLICABLE TO RETIREMENTS OR SALES	ACCUMULATED DEPRECIATION APPLICABLE TO DIVESTITURES	OTHER ADDITIONS (DEDUCTIONS)	
YEAR ENDED DECEMBER 31, 1993						
LAND (1)	\$ 9.5	\$ 1.1	\$ 0.4		\$ (1.4)	\$ 8.8
BUILDINGS	265.6	52.0	30.1	1.4	(41.5)	244.6
MACHINERY AND EQUIPMENT	\$1,267.4	233.5	153.7	16.4	(256.5)	1,074.3
	\$1,542.5	\$286.6	\$184.2	\$17.8	\$(299.4) (2)	\$1,327.7
YEAR ENDED DECEMBER 31, 1992						
LAND (1)	\$ 8.2	\$ 1.1	\$ 0.1		\$ 0.3	\$ 9.5
BUILDINGS	228.4	47.0	5.9	1.7	(2.2)	265.6
MACHINERY AND EQUIPMENT	1,103.3	262.9	59.0	30.1	(9.7)	1,267.4
	\$1,339.9	\$311.0	\$ 65.0	\$31.8	\$ (11.6) (2)	\$1,542.5
YEAR ENDED DECEMBER 31, 1991						
LAND (1)	\$ 7.3	\$ 0.9	\$ 0.1		\$ 0.1	\$ 8.2
BUILDINGS	211.4	24.2	2.4	1.5	(3.3)	228.4
MACHINERY AND EQUIPMENT	1,083.5	137.6	96.3	4.4	(17.3)	1,103.3
	\$1,302.2	\$162.9	\$ 98.8	\$ 5.9	\$ (20.5) (2)	\$1,339.9

(1) REPRESENTS DEPRECIABLE IMPROVEMENTS TO LAND.

(2) IN 1993, \$267.5 WAS RECLASSIFIED TO NET ASSETS OF DISCONTINUED OPERATIONS. OTHER DEDUCTIONS CONSIST PRIMARY OF TRANSLATION ADJUSTMENTS.

BY-LAWS
OF
BORDEN, INC.ARTICLE I
MEETINGS OF SHAREHOLDERS

SECTION 1. Unless otherwise determined by resolution of the Board of Directors, the annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on the Friday after the third Wednesday (unless such day be a holiday, then on the following business day or on such other day as the Board of Directors shall designate) in April of each year at such time and place as shall be designated by the Board of Directors and specified in the notice of the meeting. Any annual meeting of shareholders may be postponed by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such annual meeting of shareholders.

SECTION 2. The officer or agent having charge of the stock transfer books for shares of the Company shall make a complete list of the shareholders entitled to vote at a shareholders' meeting or any adjournment thereof. Such list may consist of cards arranged alphabetically or any equipment which permits the visual display of the information required by this Section 2. Such list shall

- (a) be arranged alphabetically within each class, series, or group of shareholders maintained by the Company for convenience of reference, with the address of, and the number of shares held by, each shareholder,
- (b) be produced (or available by means of a visual display) at the time and place of the meeting,
- (c) be subject to the inspection of any shareholder for reasonable periods during the meeting, and
- (d) be PRIMA FACIE evidence as to who are the shareholders entitled to examine such list or to vote at any meeting.

SECTION 3. Special meetings of shareholders shall be held at such place and at such time as shall be fixed by resolution of the Board of Directors with respect to each such meeting and may be

called at any time by the Chairman of the Board of Directors, Chief Executive Officer or President or a majority of the directors. Any special meeting of shareholders may be postponed by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such special meeting of shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Company's notice of meeting.

SECTION 4. Notice of the time, place and purpose or purposes of the annual meeting of shareholders, and of all other shareholders' meetings, shall be given by a written or printed notice to each shareholder entitled to vote at the meeting, either personally or by mailing such notice postage prepaid addressed to him at his address specified in the stock books of the Company, not less than 10 nor more than 60 days prior to the date of such meeting. When a meeting is adjourned to another time or place, it shall not be necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment the board fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to vote at such adjourned meeting.

SECTION 5. Except as otherwise provided by law or the Restated Certificate of Incorporation of the Company, at all meetings of the shareholders, in order to constitute a quorum, there shall be present, either in person or by proxy, shareholders entitled to cast a majority of the votes at such meeting provided, however, that whenever the holders of any class or series of shares shall be entitled to vote separately on any specified item of business, this sentence shall apply in determining the presence of a quorum of such class or series for the transaction of such specified item of business. The shareholders present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of sufficient shareholders to constitute the remaining shareholders less than a quorum. Whether or not a quorum is present, the chairman of the meeting or a majority of the shareholders present in person or by proxy may adjourn the meeting from time to time.

SECTION 6. At all meetings of the shareholders, each shareholder shall be entitled to one vote for each share of the capital stock standing in his name on the books of the Company, except as otherwise provided by the Restated Certificate of Incorporation of the Company.

SECTION 7. At all meetings of the shareholders any shareholder shall be entitled to vote by proxy. Every proxy shall be executed in writing by the shareholder or his agent except that a proxy may be given by a shareholder or his agent by telegram or cable or by any means of electronic communication which results in a writing.

SECTION 8. For the purpose of determining the shareholders entitled to (a) notice of or to vote at any meeting of shareholders or any adjournment thereof, (b) give a written consent to any action without a meeting, or (c) receive payment of any dividend or allotment of any right, or for the purpose of any other corporate action or event, the Board may fix, in advance, a date as the record date for any such determination of shareholders. Such dates shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. The record date to determine shareholders entitled to give a written consent may not be more than 60 days before the date fixed for tabulation of the consents or, if no date has been fixed for tabulation, more than 60 days before the last day on which consents received may be counted.

If no record date is so fixed by the Board, (a) the record date for a meeting of shareholders shall be the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day next preceding the day on which the meeting is held, and (b) the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the resolution of the Board relating thereto is adopted.

When a determination of shareholders of record entitled to notice of or to vote at any meeting of shareholders has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Board fixes a new record date under this Section for the adjourned meeting.

SECTION 9. Election of directors shall be by a plurality of the votes cast at an election and need not be by ballot unless a shareholder demands election by ballot at the election and before the voting. All other shareholder actions shall be authorized by a majority of the votes cast by the holders of shares entitled to vote thereon, unless a greater plurality is required by law or the Restated Certificate of Incorporation. Whenever not otherwise provided by law or these by-laws, all questions submitted to a meeting of the shareholders shall be decided by a viva VOCE VOTE unless shareholders holding at least 2,500 shares shall demand a vote by shares.

SECTION 10. Unless otherwise determined by resolution of the Board of Directors,

- (a) the Chairman of the Board shall, or shall designate an appropriate officer of the Company to, call any annual or special meeting of shareholders to order, act as Chairman of any such meeting of the shareholders, determine the order of business of any such meeting, and determine the rules of order and procedure to be followed in the conduct of any such meeting; and
- (b) the Secretary of the Company shall act as Secretary of the meeting.

Nothing in this section shall prohibit the Chairman of the meeting from changing the order in which business shall be presented to the meeting if, in the opinion of the Chairman, such change in procedure would not hinder the orderly conduct of the meeting or the proper consideration of the matters to come before it.

SECTION 11. (a) (1) Nominations of persons for election to the Board of Directors of the Company and the proposal of business to be considered by the shareholders at an annual meeting of shareholders may be made (i) pursuant to the Company's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any shareholder of the Company who was a shareholder of record at the time of giving of notice provided for in this by-law, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this by-law.

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (iii) of paragraph (a)(1) of this by-law, the shareholder must have given timely notice thereof in writing to the Secretary of the Company. To be timely, a shareholder's notice shall be delivered to the Secretary of the Company not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Such shareholder's notice shall set forth (i) as to each person whom the shareholder proposes to nominate for election or reelection as a director, the name, age, principal occupations and employment during the past five years, name and principal business of any corporation or other organization in which such occupations and employment were carried on and a brief description of any arrangement or understanding between such person and any other person(s) (naming such person(s)) pursuant to which he was or is to be selected as a nominee; (ii) as to any other business that the shareholder proposes to bring before

the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owners, if any, on whose behalf the proposal is made; (iii) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (A) the name and address of such shareholder, as they appear on the Company's books, and of such beneficial owner and (B) the class and number of shares of the Company which are owned beneficially and of record by such shareholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this by-law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Company is increased and there is no public announcement naming all of the nominees for Director or specifying the size of the increased Board of Directors made by the Company at least 70 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this by-law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Company not later than the close of business on the 10th day following the day on which such public announcement is first made by the Company.

(b) Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the Company's notice of meeting (1) by or at the direction of the Board of Directors or (2) provided that the Board of Directors has determined that directors shall be elected at such special meeting, by any shareholder of the Company who is a shareholder of record at the time of giving of notice provided for in this by-law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this by-law. In the event the Board of Directors calls a special meeting of shareholders for the purpose of electing one or more directors, any such shareholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Company's notice of meeting, if the shareholder's notice required by paragraph (a)(2) of this by-law shall be delivered to the Secretary of the Company not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(c)(1) Only such persons who are nominated in accordance with the procedures set forth in this by-law shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in

accordance with the procedures set forth in this by-law. The Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this by-law and, if any proposed nomination or business is not in compliance with this by-law, to declare that such defective proposal shall be disregarded.

(2) For purposes of this by-law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act of 1934, as amended (the "Exchange Act").

(3) Notwithstanding the foregoing provisions of this by-law, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this by-law. Nothing in this by-law shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE II

DIRECTORS

SECTION 1. The business and affairs of the Company shall be managed by or under the direction of a Board of Directors consisting of eight (8) directors, who shall at all times be shareholders. Subject to the provisions of the Certificate of Incorporation of the Company, the members of the Board shall be elected at each annual meeting of shareholders of the Company to hold office until the next annual meeting, and the term of each director shall be from the time of his election and qualification until the annual meeting of shareholders next succeeding his election and until his successor shall have been elected and shall have qualified. The Chairman of the Board shall be elected by the Board from time to time and shall serve as Chairman of the Board until his successor shall have been elected and shall have qualified. The Chairman of the Board shall be a director, and may serve as the Chief Executive Officer of the Company, but not otherwise as an officer or employee of the Company unless so determined by the Board of Directors. An election of a Chairman of the Board may be demanded by any two or more directors and, upon such demand, shall be held at the next properly convened meeting of the Board.

SECTION 2. If the office of any director is not filled at an annual meeting or becomes vacant, or if new directorships resulting from an increase in the authorized number of directors are created, the remaining directors (even though less than a quorum) by a

majority vote, or the sole remaining director, may fill such directorship. A director so elected shall hold office until the next annual meeting of shareholders and until his successor is elected and qualified in his stead. Any directorship not filled by the Board of Directors may be filled by the shareholders at an annual meeting or at a special meeting called for that purpose.

SECTION 3. The Board of Directors shall have the power to remove a director for cause and to suspend a director pending a final determination that cause exists for removal.

SECTION 4. There shall be an annual meeting of the Board of Directors for the election of officers and for such other business as may be brought before the meeting, immediately after the annual election of directors and at the place where the annual election of directors shall take place, or at such other place as shall be designated in the notice for such meeting. In the absence of a quorum at such time and place, such meeting shall be held as soon as practicable at the principal business office of the Company in the Borough of Manhattan of the City of New York and notice thereof shall be given by the Secretary or an Assistant Secretary by notice delivered personally or by telephone to each director, or mailed, telegraphed or sent by facsimile transmission to his address upon the books of the Company at least two days prior to the time of holding the meeting.

SECTION 5. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by resolution of the Board.

SECTION 6. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, Chief Executive Officer, President or by any two directors at such time and place as specified in a notice delivered personally or by telephone to each director, or mailed, telegraphed or sent by facsimile transmission to his address upon the books of the Company, at least two days prior to the time of holding the meeting.

SECTION 7. A majority of directors shall constitute a quorum for the transaction of business.

SECTION 8. Subject to the restrictions contained in the Certificate of Incorporation, the Board of Directors shall have power to have an office or offices and to keep the books of the Company outside the State of New Jersey.

ARTICLE III

OFFICERS

SECTION 1. The officers of the Company may consist of a Chief Executive Officer, a President, one or more Vice Presidents, a

Secretary, a Treasurer, and a General Controller and one or more Assistant Secretaries, Assistant Treasurers and Assistant General Controllers. The said officers shall be elected by ballot at the annual meeting of the Board of Directors by a majority vote of the Board and shall hold office for one year, and until their respective successors shall be elected, subject to Section 3 below, provided, however, that the Board of Directors may at pleasure omit the election of any of the foregoing officers not required by law, and provided further that the Board of Directors may at pleasure remove any officer of the Company. The Chief Executive Officer and the President shall be directors of the Company but no other officer need be a director. One person may hold more than one office.

SECTION 2. The said officers shall have the powers and shall perform all the duties incident to their said respective offices and shall perform such other duties as shall from time to time be assigned to them by the Board of Directors.

SECTION 3. The Chairman may be the Chief Executive Officer of the Company. The term of office of the Chairman may continue until the first of the month following the attainment by the incumbent of age 68 and that of the Chief Executive officer may continue until the first of the month following the attainment by the incumbent of age 67. The Board of Directors, by majority vote may, however, waive such limitations for periods of one year at a time, but not beyond age 70 for either. The Chairman of the Board or, in his absence, a director selected by a majority of the Directors, shall preside at meetings of the Board of Directors. Each Vice President or other officer shall have general charge of such departments or divisions of the Company's business, or shall perform such duties, as may from time to time be determined by the Chief Executive Officer and they shall be responsible for the proper administration of their respective departments or divisions to the Chief Executive Officer. Departmental managers shall be responsible for the proper administration of their departments to the officer in charge thereof.

SECTION 4. During the absence of the Chief Executive Officer, the Chief Executive Officer shall designate, in writing to the Corporate Secretary, the officer who shall be vested with all the powers of such office in respect of the signing and execution of any contracts or other papers requiring the signature of any such absent officer. In the event of any prolonged absence of any officer of the Company, the Board of Directors may delegate his powers or duties to any other executive officer, or to any director, during such absence, and the person so delegated shall, for the time being, be the officer whose powers and duties he so assumes.

SECTION 5. Any vacancy in any office shall be filled for the unexpired term by a majority vote of the Board of Directors.

SECTION 6. The Board of Directors may create such other offices as they may determine, elect or provide for the election of officers to fill the same, define their powers and duties and fix their tenures of office. The Board may also create or provide for the creation of (1) administrative divisions, and (2) offices and committees for any such divisions and may elect or provide for the election of officers and committee members to fill the positions so created, define or make provision for the duties to be performed by such officers and committees and the powers to be exercised by them and fix or make provision for their tenures of office. The Board of Directors may delegate to the Chief Executive Officer or to any other officer or any committee of the Company the power to exercise some, any or all of the powers granted to the Board by the foregoing provisions of this Section. The Chief Executive Officer in turn may delegate to any other officer or any committee of the Company the power to exercise some, any or all of the powers delegated to him by the Board of Directors pursuant to the foregoing provisions of this Section.

ARTICLE IV

COMMITTEES

SECTION 1. There shall be an Executive Committee consisting of five or more directors. The membership of this Committee shall consist of such number of directors as the Board of Directors may, by a resolution adopted by a majority of the entire Board, elect from time to time and their terms of office shall be for such periods as the Board of Directors may designate. A majority of all the members of the Committee shall constitute a quorum for the transaction of business. The Board of Directors shall elect the Chairman of the Committee. The Committee shall determine its own procedure and shall meet on call by the Chairman of the Committee or by any two members of the Committee. In addition to any general or special duties that may from time to time be delegated to it by the Board of Directors, the Committee shall, subject to the laws of the State of New Jersey, have and may exercise the powers of the Board during the intervals between the meetings of the Board, including the periodic review of management organization.

SECTION 2. There shall be a Pension Committee consisting of five or more members, a majority of whom must be directors. The members shall be elected by the Board of Directors at their annual meeting and shall hold office for one year or until the election of their respective successors, provided, however, that the Board of Directors may at pleasure remove any member of the Committee who is not a director. The Board of Directors shall elect the Chairman of the Committee. Vacancies on the Committee, or increases in the number thereof, may be filled for the unexpired term by election by the Board of Directors at any meeting of the Board. The Committee shall meet at its convenience and shall determine its own procedure. In addition to any general or special duties that may

be delegated to it by the Board of Directors, the Committee may from time to time consider, devise, report on and recommend to the Board a plan or plans, or modifications thereof, and matters incident thereto, for the pensioning of tried and faithful employees, with a view to increased efficiency of operation and to closer cooperation between the Company and its officers and employees. A majority of the members shall constitute a quorum of the Committee.

SECTION 3. There shall be an Audit Committee comprised of three or more directors, independent of executive and operating management and free from any relationships that might, in the opinion of the Board of Directors, be considered to be a conflict of interest. The members shall be elected by the Board of Directors, which shall also elect the Chairman of the Committee, at their Annual Meeting, and shall hold office for one year or until the election of their respective successors. A majority of the members shall constitute a quorum of the Committee.

The Committee shall assist the Board in fulfilling its fiduciary responsibilities relating to accounting policies, auditing and reporting practices for the Company and shall, through regularly scheduled meetings provide a direct line of communication between the Board and the Company's independent accountants, as well as the internal auditor. It shall receive management's recommendation of the independent auditing firm for the next year and make its recommendation to be approved by the Board.

It shall review with the independent auditing firm the scope of its examination, the consolidated financial statements prior to the approval of the annual report by the Board, the competence and adequacy of financial, accounting and internal audit management and control procedures of the Company, recommendations of the independent auditors and management's response thereto, the internal audit function and such other matters relating to financial reports as it deems appropriate. It will require that serious differences between the independent auditors and the management be reported to it.

SECTION 4. There shall be a Committee on Officers' Compensation comprised of 5 or more directors, independent of executive and operating management and free from relationships that might, in the opinion of the Board of Directors, be considered a conflict of interest. The members shall be elected by the Board of Directors, who shall also elect the Chairman of the Committee at their Annual Meeting, who shall hold office for one year or until the election of their respective successors. A majority of the members shall constitute a quorum of the Committee.

The Committee shall establish salaries for elected officers of the Company. It shall be responsible for the administration of the Management Incentive Plan, other incentive compensation plans and

related subjects. It shall also be responsible for the granting of options under and administration of the Employees Stock Option Plan. This Committee shall supervise and administer such other employee benefits plans as the Chief Executive Officer or the Board of Directors shall, from time to time, direct.

SECTION 5. There shall be a Nominating Committee comprised of three or more directors, independent of executive and operating management and free from any relationship that might, in the opinion of the Board of Directors, be considered to be a conflict of interest. The members shall be elected by the Board of Directors, which shall also elect the Chairman of the Committee at its Annual Meeting, and shall hold office for one year or until the election of their respective successors. A majority of the members shall constitute a quorum of the Committee.

The Committee shall review and determine the qualifications of potential directors and shall be responsible for reviewing and making recommendations to the Board of Directors with respect to the composition of the Board. It shall research and recommend candidates to fill vacancies on the Board between annual meetings of shareholders and shall propose to the Board of Directors a slate of nominees for submission to the shareholders for election as directors at each annual meeting of shareholders.

SECTION 6. The Committees created by the preceding sections of this Article shall each keep a record of their actions and proceedings, and all their actions shall be reported to the Board at its next ensuing meeting; except that, when the meeting of the Board is held within 2 days after the committee meeting, such report shall, if not made at the first meeting, be made to the Board at its second meeting following such committee meeting.

ARTICLE V

DEPOSITORIES, CHECKS AND NOTES

SECTION 1. The Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, Treasurer or an Assistant Treasurer of the Company shall each have the authority to designate banks, trust companies or other depositories in which funds of the Company shall be deposited to the credit of the Company. All checks, drafts and orders for the payment of money shall be signed by any one of the aforesaid officers, or by such other person or persons as the Board of Directors or anyone of the aforesaid officers may from time to time designate. Subject to

such limitations, restrictions and safeguards as any of the aforesaid officers shall prescribe, signatures in the case of all checks, drafts and orders for the payment of money may be facsimile signatures.

SECTION 2. The signature of any officer upon any bond, debenture, note or similar instrument executed on behalf of the Company may be a facsimile whenever authorized by the Board of Directors.

ARTICLE VI

DIVIDENDS

Subject to the provisions of law and the Certificate of Incorporation of the Company, the Board of Directors shall have the power in its discretion to declare and pay dividends upon the shares of stock of the Company of any class in cash, in its own shares, in its bonds or in other property, including the shares or bonds of other corporations. Anything in the Certificate of Incorporation or these by-laws to the contrary notwithstanding, no holder of any share of stock of the Company of any class shall have any right to any dividend thereon unless such dividend shall have been declared by the Board of Directors as aforesaid.

ARTICLE VII

SEAL

The seal of the Company shall be circular in form with the words "Borden, Inc." on the circumference, and the figures "1899" in the center.

ARTICLE VIII

STOCK

SECTION 1. Certificates of stock shall be issued and signed by the Chairman of the Board, Chief Executive Officer, President or a Vice President and may be countersigned by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary and may be sealed with the seal of the Company or a facsimile thereof. Any or all signatures upon a certificate, including those of a stock transfer agent or a registrar, may be facsimile. In case any officer or officers or any transfer agent or registrar of the Company who shall have signed, or whose facsimile signature or signatures shall have been used on any certificate or certificates shall cease to be such officer or officers, or such transfer agent or registrar, for whatever cause, before such certificate or certificates shall have been delivered, such certificate or certificates may nevertheless be issued and delivered as though the

person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers or such transfer agent or registrar, as the case may be.

SECTION 2. All transfers of stock shall be made upon the books of the Company upon surrender to the Company of the certificate or certificates for such stock, duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer.

SECTION 3. Every person claiming a stock certificate in lieu of one lost or destroyed shall give notice to the Company of such loss and destruction, and shall also file in the office of the Company an affidavit as to his ownership of the stock represented by the certificate, and of the facts which go to prove its loss or destruction. He shall, if required by the Board of Directors, give the Company a bond or agreement of indemnity in a form to be approved by counsel, with or without sureties and in such amount as may be determined by the Board or by an officer in whom authority therefor shall have been duly vested by the Board against all loss, cost and damage which may arise from issuing such new certificate. The officers of the Company, if satisfied from the proof that the certificate is lost or destroyed, may then issue to him a new certificate of the same tenor as the one lost or destroyed.

SECTION 4. The Board of Directors shall have the power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the Company. The Board of Directors may appoint transfer agents and registrars of transfer, and may require any or all stock certificates to bear the signature or facsimile signature of any such transfer agent and any such registrar of transfers.

SECTION 5. Unless the Board of Directors by specific resolution provides otherwise, all shares of the Company, which are reacquired pursuant to the New Jersey Corporation Act, Section 14A:7-16 by purchase, by redemption or by their conversion into other shares of the Company, shall remain authorized and issued shares and shall be considered treasury shares.

ARTICLE IX

FISCAL YEAR

SECTION 1. The fiscal year of the Company shall commence on the first day of January in each year and end on the following thirty-first day of December.

SECTION 2. It shall be the duty of the principal financial officer to submit a full report of the financial condition of the

Company for the preceding fiscal year at a meeting of the Board of Directors preceding the annual meeting of shareholders.

ARTICLE X

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each director or officer who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative (including any action or suit by or in the right of the Company to procure a judgment in its favor) by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, trustee, employee or agent of any other enterprise shall be indemnified by the Company if, as and to the extent authorized by the laws of the State of New Jersey, against expenses (including costs, disbursements and counsel fees), judgments, fines, penalties and amounts paid or incurred in satisfaction of settlements actually and reasonably incurred by him in connection with the defense or settlement of such action, suit or proceeding, and any appeal thereof. The foregoing shall not be deemed exclusive of any other rights to which any person indemnified may be entitled under such laws or any lawful agreement, vote of shareholders or otherwise and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XI

AMENDMENTS TO BY-LAWS

These by-laws may be altered, amended or added to by a majority vote of all the directors, at any regular or special meeting provided that the notice of such meeting, given personally or by telephone to each director, or mailed, telegraphed or sent by facsimile transmission to his address upon the books of the Company, at least two days prior to the time of holding the meeting, indicates that the by-laws are to be repealed, altered or amended or that new by-laws are to be adopted (but such notice need not specify the particular by-laws to be repealed, altered or amended or the new by-laws to be adopted), or if all of the directors at the time in office be present at such meeting, or if those not present shall at any time waive or have waived notice thereof in writing.

EXHIBIT 10(iv)

BORDEN, INC.

02/28/94

1994 MANAGEMENT INCENTIVE PLAN

1. PURPOSES

The purposes of the Plan are (a) to provide an incentive to officers, other key executives and managerial employees of the Company, (b) to attract, motivate, and retain in the employ of the Company and its Subsidiaries individuals of outstanding competence, (c) to enable the Company to compete with other organizations offering similar arrangements, and (d) to further identify the interest of officers, other key executives and managerial employees of the Company and its Subsidiaries with those of the Company's shareholders generally.

2. INCENTIVE COMPENSATION AMOUNT

For each Compensation Year, commencing with the calendar year 1994 and continuing through the calendar year 1998, the Incentive Compensation Amount shall be equal to the sum of the awards granted under both the annual and long-term portions of the Plan.

3. CERTIFICATION

3.01 As soon as practicable after the end of each Compensation Year, the independent accounting firm employed by the Company as its auditors shall examine and report on the incentive compensation computation for such Compensation Year or Years. Such report shall be in all respects final and conclusive on the Company and its shareholders, the Committee, the members at any time of the Incentive Compensation Group, the Participants and their Beneficiaries, and all others who may be eligible for incentive compensation awards or to whom such awards may be made or claiming under the Plan or otherwise, and, except and to the extent amended by such auditors within six weeks after submission to the Board of Directors, shall remain final and conclusive as to the incentive compensation computation for such Compensation Year irrespective of any subsequently discovered miscalculation or error and irrespective of the results of any subsequent audit or review by the Commissioner of Internal Revenue, or as the result of the action or decision of any other agency or tribunal.

3.02 In addition to certification of the Incentive Compensation Amount, the independent accounting firm employed by the Company shall certify that each annual and long-term award has been computed in accord with the formula, if any, applicable to such award.

3.03 Such certification reports by the Company's auditors of the Incentive Compensation Amount and individual awards for each Compensation Year shall be directed to and delivered to the Committee on Officers' Compensation which shall then issue its certification of the results.

NOTE: Unless otherwise required by the Plan, the terms capitalized in the Plan and defined in Section 14 thereof, have the meanings ascribed to such terms in such Section 14.

4. INCENTIVE COMPENSATION GROUP

4.01 The Incentive Compensation Group for any Compensation Year shall consist of the Chief Executive Officer of the Company and, subject to the provisions of paragraph 4.02 below, such other officers and other key executives and managerial employees of the Company and its Subsidiaries as the Committee may select for such Compensation Year in the manner hereinafter provided.

4.02 An employee selected for participation for any Compensation Year in an incentive compensation, profit participation or bonus plan of any Subsidiary, division or profit center of the Company shall not be eligible for participation in this Plan for such Compensation Year except for the period of time during such Compensation Year in which he is both a key executive or managerial employee of a Corporate Division or Subsidiary.

4.03(a) Prior to the commencement of each Compensation Year, or such later date permitted under regulations issued under Section 162(m), the Committee shall select from the employees eligible for the Incentive Compensation Group for such Compensation Year the employees who, in addition to the Chief Executive Officer, will, in the opinion of the Committee, contribute substantially to the progress and earning power of the Company and at the time of such selection the Committee shall determine the basis for participation of each employee so selected. The selection by the Committee of such employees and its determination of the basis of participation of the members of the Incentive Compensation Group shall, except in the case of the Chief Executive Officer, be made on the recommendation of the Chief Executive Officer or on the recommendation of such other officer or officers of the Company as he may designate, but the Committee shall have full authority to act with respect to the selection and participation of all employees, including the Chief Executive Officer.

(b) In determining the amount that any member of the Incentive Compensation Group who is or becomes a key executive or managerial employee of a Corporate Division or Subsidiary of the Company during the Compensation Year in which he is a member of the Incentive Compensation Group, may be eligible to receive under this Plan, the Committee shall take into consideration and make appropriate allowance for the amount which such member may be eligible to receive under any other incentive compensation, profit participation or bonus plan of the Corporate Division or Subsidiary of which such member is a key executive or managerial employee.

4.04 Notwithstanding the provisions of paragraph 4.03 above, the Committee may, at any time prior to the end of a Compensation Year, on recommendation of the Chief Executive Officer or such other officer or officers of the Company as he may designate, (a) add members to the Incentive Compensation Group for such Compensation Year from among employees who have become eligible under the Plan during such Compensation Year as the result of entering the employ of the Company or a Subsidiary, promotions or otherwise, (b) eliminate members from the Incentive Compensation Group, or (c) reduce the amount of incentive compensation for any member or members for any reason

deemed good and sufficient in the Committee's discretion.

4.05 An employee shall be eligible for selection as a member of the Incentive Compensation Group for a Compensation Year only if employed by the Company or a Subsidiary on a full-time basis at the time selected.

4.06 No member of the Committee shall, while serving on the Committee, be eligible for membership in the Incentive Compensation Group.

4.07 A member of the Board of Directors of the Company or any committee thereof shall not be eligible for membership in the Incentive Compensation Group unless he shall also be an employee meeting the requirements of paragraph 4.05 above, but, if such an employee, he shall not be ineligible because he is such a director.

4.08 Every member of the Committee while serving in a voting capacity, shall meet all the criteria necessary to qualify as an outside director as defined under Section 162(m).

5. AWARDS OF INCENTIVE COMPENSATION

5.01 Subject to paragraph 5.04 below, the Committee may provide for annual incentive awards and long-term incentive awards of a multi-year nature.

5.02(a)(i) Annual incentive awards, if any, if intended by the Committee to meet the exception for performance-based compensation qualified under Section 162(m), shall be paid under a preestablished performance goal based on the business criterion of Pretax Income of the Company. The award procedure operates as follows: In advance of each Compensation Year (except for the 1994 Compensation Year with respect to which the Committee must act prior to April 1, 1994), or such later date permitted under regulations issued under Section 162(m), the Committee will establish a dollar amount representing targeted Pretax Income for that Compensation Year. At the same time, the Committee will establish, for each Participant selected to be eligible for an annual award for that Compensation Year, three percentages. The first represents the percentage of the Participant's salary paid during that Compensation Year that the Participant will receive as his annual award if the Company's actual Pretax Income for that Compensation Year equals the targeted Pretax Income. The second percentage, lower than the first, is the percentage of such salary that he will receive as an annual award if the Company's actual Pretax Income is a stated minimum amount, which is less than the targeted Pretax Income. The third and highest percentage, is the percentage of such salary that the Participant will receive if the Company earns at least a stated Pretax Income which is higher than the targeted Pretax Income. If the Company's actual Pretax Income is between the minimum and highest stated Pretax Income amounts, the participant will receive a prorated award.

5.02(a)(ii) Annual incentive awards made under the Plan are expected to meet the exception for performance-based compensation qualified under Section 162(m). However, the Committee in its sole discretion may make other awards which are different in amounts, form and time of payment, subject to paragraph 5.04 hereof and to any other terms and

conditions that the Committee may impose.

5.02(b)(i) Long-term incentive awards, if any, if intended by the Committee to meet the exception for performance-based compensation qualified under Section 162(m), shall be paid under a preestablished performance goal based on the business criterion of earnings per share ("e.p.s."). The long-term award arrangements and procedure are as follows: Each long-term award cycle shall consist of three calendar years. Each Compensation Year a new long-term award cycle begins and, while in that year, there may be up to two other cycles running from the two prior years, the calculation for each cycle shall be completely independent and separate from any other cycles running at the same time. In advance of each year, (except for the 1994 compensation year with respect to which the Committee must act prior to April 1, 1994), or such later date permitted under regulations issued under Section 162(m), as a new cycle is about to begin, the Committee establishes an e.p.s. "standard" dollar goal for each of the three years of the forthcoming cycle and percentages of the e.p.s. standard dollar goals below which no award will be earned and at which the maximum award will be earned. The Committee may also include as part of a cycle an increment of the allocation for the cycle as a whole. At the same time, the Committee will establish, for each Participant selected to be eligible for a long-term award, a dollar amount as a "standard" allocation that would be earned if the standard e.p.s. goal is attained and the percentages of the standard allocation to be earned at the lowest and highest compensable levels of e.p.s. for that year. After each year of each cycle, the actual e.p.s. achieved is compared with the "standard" e.p.s. for that year and a portion of the allocation for that cycle is credited if a stated minimum e.p.s. is earned, with the possibility of earning up to a maximum of 150% of the allocation for any cycle in which all three years of a cycle exceeded the "standard" e.p.s. If the Company's actual e.p.s. for a Compensation Year is between the minimum, the standard, and highest stated e.p.s. for such year, the Participant will receive an award prorated accordingly.

5.02(b)(ii) Long-term incentive awards, made under the Plan are expected to meet the exception for performance-based compensation qualified under Section 162(m). However, the Committee in its sole discretion may make other awards which are different in amounts, form and time of payment, subject to paragraph 5.04 hereof and to such other terms and conditions, if any, as the Committee may impose.

Notwithstanding the above provisions of this paragraph 5.02, the Committee may, in its discretion, reduce, or add additional conditions that would reduce, the amount of compensation otherwise payable if any performance goal and other conditions and requirements are not met.

5.03 As promptly as practicable after receiving notice, pursuant to paragraph 3.03 above, that an incentive compensation computation is available for a Compensation Year, and individual incentive amounts have been computed, the Committee shall determine the time and form of payment of such awards as hereafter more specifically provided. At the same time, the Committee may, on recommendation of the Chief Executive Officer or such other officer or officers of the Company as he may designate, make awards of incentive compensation to

employees who were eligible for the Incentive Compensation Group for such Compensation Year but who had not been selected as members of the Incentive Compensation Group during such Compensation Year pursuant to the provisions of paragraphs 4.03 and 4.04, and shall similarly determine the time and form of payment of such awards. Awards may be made either in cash, in shares of Common Stock of the Company, in Share Units, or partly in one form and partly in one or more other forms. In the case of an award in shares or Share Units, the number shall be determined by using the Fair Market Value per share of Common Stock on the date the award is approved for payment.

5.04 In no event shall any annual incentive award, made for any Compensation Year to any Participant, exceed the lesser of 100% of the annual salary of such Participant at the Participant's final salary rate for such Compensation Year, or such other percentage of salary as the Committee may have fixed in advance of such Compensation Year. Neither shall any long-term incentive award exceed the lesser of 100% of the Participant's annual salary at his final salary rate or such other percentage of salary as the Committee may have fixed in advance of the Compensation Year. For the purpose of the Plan, including, without limitation, this paragraph 5.04, the final year of a cycle shall be deemed to be the Compensation Year of such cycle.

5.05 If the employment of a member of the Incentive Compensation Group shall have terminated during a Compensation Year for any reason, other than for "cause", or if a member of the Incentive Compensation Group shall have been on leave of absence during any part of a Compensation Year, he, or, in the event of his death, such person or persons as the Committee, upon recommendation of the Chief Executive Officer or such officer or officers of the Company as he may designate, may in its discretion select, may (but need not) be granted such award, if any, or part thereof, but never in excess of the amount such member would have received if employed throughout the whole of such Compensation Year, on such basis, and upon such terms and conditions, if any, as the Committee may in its discretion determine.

5.06 The reduction or elimination of an award for a Compensation Year of a member of the Incentive Compensation Group for any reason shall not serve to increase the awards for such Compensation Year to other members of the Incentive Compensation Group.

5.07(a) Anything in paragraphs 3.01 or 5.01 above or elsewhere in the Plan to the contrary notwithstanding, but subject to Section 15 below, in the event of, or in anticipation of, a Change in Control, the Committee may, in its discretion

(i) make pro-rata interim annual and long-term awards for the Compensation Year in which falls the Change in Control, based on a good faith calculation of a projected incentive compensation award for such Compensation Year utilizing among other things and if deemed appropriate by Committee, the lower of the estimated financial results for such Compensation Year or the financial results for the next preceding year, and

(ii) make annual and long-term awards for the Compensation

Year next preceding the Compensation Year in which falls the Change in Control, prior to receipt of, or finalization of, the auditor's report provided for in paragraph 3.01 above, based upon the Committee's best estimate of the financial results for such Compensation Year.

(b) For purposes of this paragraph 5.07, a "Change in Control" shall be deemed to occur if and when (i) an offeror other than the Company or a Subsidiary purchases shares of Common Stock pursuant to a tender or exchange offer for such shares, (ii) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities, (iii) the membership of the Board changes as the result of a contested election, such that individuals who were directors at the beginning of any twenty- four month period (whether commencing before or after the date of adoption of this Plan) do not constitute a majority of the Board at the end of such period, or (iv) shareholders of the Company approve a merger, consolidation, sale or disposition of all or substantially all of the Company's assets, or a plan of partial or complete liquidation.

6. TIME OF PAYMENT OF AWARDS

6.01 The Committee may determine the time of payment of awards of incentive compensation by rules and regulations of general application, which may provide for payment of awards at the time such awards are made or for a class or classes of awards the payment of which shall be made, in whole or in part, to the Participant or, in the event of his death, to his Beneficiary, at a future time or times, in such installment or installments, if any, with or without interest or interest equivalents and subject to such conditions, if any, with respect to continued service or availability, non-competition or otherwise, as the Committee may prescribe.

6.02 At the time that an employee shall be selected for participation in the Plan for any Compensation Year, or as soon as practicable thereafter, the Committee shall determine the amount, if any, of the award that may be made for such Compensation Year which shall be paid upon the making of such award and the portion of such award which shall be one of the class of awards established by the Committee pursuant to paragraph 6.01 above. If the Committee shall have failed to make such a determination in the case of any Participant for any Compensation Year, the award to such Participant shall be paid in cash at the time the award shall be made or as soon as practicable thereafter.

6.03 In making the determination provided for in paragraph 6.02 above, the Committee may act with or without consultation with the Participant and to that end may permit Participants to indicate a preference as to the time of payment of any awards to be made to them.

7. FORM OF PAYMENT OF AWARDS

7.01 Once awards of incentive compensation have been earned, certified and approved by the Committee for any Compensation Year they shall be paid in cash, in shares of Common Stock, partly in

cash and partly in such shares of Common Stock, or in the manner provided in paragraph 7.03 or in such other manner as the Committee may in its sole discretion from time to time determine.

7.02 Shares of Common Stock may be issued or transferred in payment of an award subject to such restrictions as to transferability and as to such requirements, if any, as to re-transfer to the Company in the event of failure to comply with obligations as to continued service or availability, non-competition or otherwise as the Committee may prescribe.

7.03 The Committee may in its discretion direct that a Participant be contingently credited with shares of Common Stock or Share Units in payment of an award, subject to such conditions, if any, as to continued service or availability, non-competition or otherwise as the Committee may prescribe, and may provide that the equivalent of any dividends paid on an equal number of outstanding shares of Common Stock be paid to the Participant either at the time such dividends are declared and paid or at some subsequent time or times or that additional shares of Common Stock or Share Units equal to the amounts of such dividends shall be contingently credited, subject to the same conditions, if any, as those attached to delivery of the shares or payment of cash in respect of Share Units in respect of which such dividend equivalents are credited. Provided there has been compliance with any conditions attached to the delivery or payment thereof, the shares and Share Units so contingently credited shall be issued, transferred or payment in respect thereof made, to the Participant or, in the event of his death, to his Beneficiary, at such time or times and in such installments, if any, as the Committee may direct.

7.04 Cash contingently credited in payment of any award may carry such rate of interest equivalent as the Committee may prescribe by rules and regulations of general application, which shall in no event exceed the greater of five per cent (5%) per annum computed no less often than quarter-annually, and the 90-day prime certificate of deposit rate, determined quarter-annually, in each case with such periodic compounding, if any, as the Committee may prescribe.

7.05 In the event that the Company's obligation to pay an award for a Compensation Year shall terminate or be reduced subsequent to such Compensation Year as the result of failure to comply with requirements or conditions attached thereto, or in the event that shares are re-transferred to the Company or shares or Share Units contingently credited or dividend equivalents in respect of shares or Share Units are cancelled, the amount thereof shall not thereby become available to other members of the Incentive Compensation Group.

7.06 Shares of Common Stock to be transferred in payment of awards of incentive compensation may be authorized but unissued shares or treasury stock or shares acquired for the purpose of the Plan. Any and all shares purchased by the Company for the purpose of the Plan, unless and until transferred pursuant to the Plan (and not re-transferred to the Company), shall be and remain the property of the Company and shall be available for any corporate purposes; and neither the Incentive Compensation Group for any Compensation Year, individually or as a group, nor any Participant or Beneficiary nor any other

person claiming under or through any of them, shall have any right, title or interest in or to any such shares unless and until transferred pursuant to the Plan.

7.07 Shares of Common Stock transferred under the Plan and shares of Common Stock or Share Units contingently credited shall, for purposes of the Plan, be valued at the Fair Market Value of such shares, as determined by the Committee in the reasonable exercise of its discretion, (a) at the date as of which such shares are transferred or payment in respect of shares or Share Units is made or at the date shares or Share Units are contingently credited, as the case may be, or (b) when deemed by the Committee to warrant it, at the date an agreement for the transfer or contingent credit of such shares or Share Units is made, as the Committee may determine.

7.08 Payment of dividends, dividend equivalents, interest or interest equivalents in respect of awards under the Plan, amounts equal to increases or decreases in market value in respect of shares of Common Stock transferred under the Plan and amounts based on such increases or decreases in respect of Share Units, shall not be charged against the amount of any award.

7.09 Any award payable in shares of Common Stock under the Plan may, in the discretion of the Committee, be paid in cash on each date on which payment in shares would otherwise have been made, in an amount equal to the Fair Market Value on each such date, of a number of shares equal to the number of shares of Common Stock which would otherwise have been transferred on such date.

7.10 Anything in the Plan to the contrary notwithstanding, in the case of an award or awards of incentive compensation made in Share Units, the Committee may reduce the amount payable with respect to such Share Units (but not to an amount below the amount of such award or awards) if, and to the extent that, the Committee determines that the amount payable would be in excess of reasonable compensation.

7.11(a) Any award deferred under the Plan or under any of the Prior Management Incentive Plans may, in the discretion of the Committee and with the consent of the affected participant if necessary, be changed into any other form of deferred award authorized by this Section 7; and any award that shall be so changed shall be subject to all the terms and conditions of the Plan. Unless the Committee shall otherwise direct, cash contingently credited in payment of an outstanding award made under any of the Prior Management Incentive Plans shall carry interest equivalents at the rate and with such periodic compounding, if any, as may be prescribed from time to time by the Committee for cash contingently credited in payment of awards under the Plan.

(b) Any award made to an employee who is at the time of the award, or later becomes, an officer of the Company, heretofore or hereafter deferred under an incentive plan of the Company or a Subsidiary, other than under the Plan, or under any of the Prior Management Incentive Plans, may, in the discretion of the Committee and with the consent of the affected officer if necessary, be changed into any other form of deferred award authorized by this Section 7; and any award that shall be so changed shall

be subject to all the terms and conditions of the Plan.

7.12 The Company shall reserve up to 400,000 shares of Common Stock as required for issuance pursuant to the Plan and to the Prior Management Incentive Plans, provided, however, that in the event of any change in the Common Stock through merger, consolidation, or reorganization, or in the event of any dividend to holders of such stock payable in stock of the same class or the issue to such holders of rights to subscribe to stock of the same class, or in the event of any other change in the capital structure, the Committee or the Board of Directors on recommendation of the Committee may make such adjustments with respect to the number of shares reserved under this paragraph 7.12 or provided for under any other provision of this or any of the Prior Management Incentive Plans, as it deems equitable to prevent dilution or enlargement of the rights of any then or later holder of such stock.

8. ADMINISTRATION

8.01 The Plan shall be administered by the Committee on Officers' Compensation of the Board of Directors, which shall have full power and discretion to construe and interpret the Plan. No member of the Committee shall be eligible to receive an incentive compensation award while serving on the Committee and no person shall be eligible to serve on the Committee unless he shall be a "disinterested person" within the meaning of Rule 16b-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended from time to time, or any law, rule, regulation or other provision that may hereafter replace such rule ("Rule 16b-3"), and an "outside director" within the meaning of Section 162(m). Nothing herein shall prevent the Board from imposing additional qualifications or requirements with respect to members of the Committee.

Anything in this Plan to the contrary notwithstanding, but subject to paragraph 15 below, insofar as this Plan applies to employees who are not subject to reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended from time to time, and who are not "covered employees" within the meaning of Section 162(m) with respect to equity securities of the Company, determinations and interpretations in individual cases can, if delegated by the Committee be made by, or at the direction of, the Chief Executive Officer of the Company.

8.02 The Committee may establish and from time to time amend rules and regulations of general application for the administration of the Plan, subject to the provisions thereof, and rules for its own organization and procedure. The Committee may act or recommend by written determination instead of by affirmative vote at a meeting, provided that any written determination shall be signed by a majority of all the members of the Committee and all members of the Committee shall have been notified. The Company shall pay such compensation, if any, for the services of the members of the Committee and such of their expenses, if any, and any other expenses, of the Plan as the Board of Directors may from time to time approve.

8.03 Any costs incidental to the administration of the Plan shall be borne by the Company.

9. CERTAIN PROVISIONS RELATING TO PARTICIPATION

9.01 No member of the Incentive Compensation Group, no Participant, no Beneficiary, no person claiming under or through any of them, nor any other person shall have any right or interest, whether vested or otherwise, in the Plan or its continuance, or in or to the payment of any award under the Plan, whether such award be vested, contingent or otherwise, unless and until all the terms and conditions of the Plan, of any rules and regulations of the Committee thereunder, and of any instrument executed pursuant thereto, that affect such award and its payment, shall have been fully complied with as specifically provided in the Plan and the rules and regulations of the Committee thereunder. No rights under the Plan, contingent or otherwise, shall be assignable or subject to any encumbrance, pledge or charge of any nature, except as may be specifically authorized by the Committee and no such rights shall be transferrable other than by will or the laws of descent and distribution. Rights may be exercised during the Participant's lifetime only by him or by his guardian or legal representative, except that a Participant may, under such rules and regulations as the Committee may establish, designate a Beneficiary to receive any unpaid portion of an award after his death.

9.02 Neither the adoption of the Plan nor its operation shall in any way affect the right and power of the Company or any Subsidiary to dismiss or otherwise terminate the employment of any employee at any time for any reason with or without cause.

9.03 By accepting any benefits under the Plan, each member of the Incentive Compensation Group, each Participant, each Beneficiary, and each person claiming under or through any of them, shall be conclusively deemed to have indicated his acceptance and ratification of, and consent to, any action or decision taken or made or to be taken or made under the Plan by the Company, the Board of Directors and the Committee.

10. GENERAL PROVISIONS

10.01 Any action taken or decision made under the respective provisions of the Plan by the Company, the Board of Directors and the Committee, arising out of or in connection with the construction, administration, interpretation or effect of the Plan, or recommendations in accordance therewith, or of any rules and regulations adopted thereunder, including, without limitation, any adjustment in the number or class of shares to be issued or transferred under the Plan as the result of a change affecting the Common Stock shall in each case lie within the Committee's discretion and shall be conclusive and binding on the Company, its Subsidiaries and its shareholders and on all members of the Incentive Compensation Group, all Participants and Beneficiaries and all persons claiming under or through any of them.

10.02 The Board of Directors and the Committee may rely upon any information supplied to them by any officer of the Company or by the Company's independent public accountants and may rely upon the advice of such accountants and of counsel, and shall be fully protected in relying upon any such information and advice. Members of the Board of Directors who are also officers of the Company may on invitation attend the meetings of the Committee, but,

unless appointed and serving as members of the Committee, shall have no vote.

10.03 No member of the Board of Directors or of the Committee shall be liable for any act or failure to act of any other member of such Board or Committee, as the case may be, or of any officer, agent or employee, nor shall any member of the Board of Directors or of the Committee be liable for any act, or failure to act, of his own unless such act or failure to act shall have been in bad faith or grossly negligent. Any document required to be delivered to the Board of Directors or to the Committee shall be deemed to have been so delivered if and when addressed to and received by the Secretary of the Company or the Secretary of the Committee, as the case may be.

10.04 The fact that a member of the Board of Directors shall at the time be, or shall theretofore have been or thereafter may be, a Participant or eligible to receive an incentive compensation award shall not disqualify him from taking part in and voting at any time as a director in favor of or against amendment or termination of the Plan or other matters affecting the Plan.

10.05 Appropriate provision shall be made for any taxes that the Company determines are required to be withheld from awards of incentive compensation under the applicable laws or other regulations of any governmental authority, whether Federal, state or local and whether domestic or foreign.

10.06 The place of administration of the Plan shall be conclusively deemed to be within the State of Ohio, and the validity, construction, interpretation and administration of the Plan, and of any rules and regulations or determinations or decisions made thereunder, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be governed by, and determined exclusively and solely in accordance with, the laws of the State of Ohio. Without limiting the generality of the foregoing, the period within which any action arising under or in connection with the Plan, or any payment or award made or purportedly made under or in connection therewith, must be commenced shall be governed by the laws of the State of Ohio, irrespective of the place where the act or omission complained of took place and of the residence of any party to such action and irrespective of the place where the action may be brought.

11. TERM OF PLAN

The Plan shall be in effect, and awards of incentive compensation may be made under the Plan, for each of the calendar years from 1994 to 1998, both inclusive. Unless the Plan shall be renewed, no awards of incentive compensation shall be made under the Plan for any calendar year subsequent to 1998, but as to awards made for the calendar years 1994 to 1998, both inclusive, the Plan will continue in effect in accordance with its terms.

12. OTHER COMPENSATION OR INCENTIVE ARRANGEMENTS

The Plan is not intended as and shall not be deemed a substitute for or preclude continuance or establishment of incentive compensation, profit participation or bonus plans of Subsidiaries, divisions or profit centers of the Company or any other plan, practice or arrangement for the payment of compensation or fringe benefits, including, without limitation,

commissions, prizes, suggestion or special awards, production or similar bonuses, retirement, profit sharing, group insurance, stock purchase or stock bonus plans or other bonus plans or arrangements, that may now or hereafter be in effect for employees generally or any group or class of employees, and any such plan, practice or arrangement may be continued or authorized and payment thereunder made independently of the Plan.

13. AMENDMENT OR TERMINATION

13.01 Subject to any applicable shareholder approval requirement of law, the Plan may at any time or from time to time be amended in any respect, including, without limitation, to qualify incentive compensation awards hereunder as performance-based compensation under Section 162(m), or may at any time be terminated, by either the shareholders of the Company or by the Board of Directors, subject to the provisions of paragraphs 13.02 and 13.03 below.

13.02 Only the shareholders of the Company may amend the provisions of the Plan so as

(a) to increase any incentive compensation award for any Compensation Year above the amount authorized by the Plan, and any rules and regulations thereunder;

(b) to change the provisions of paragraph 8.01 relating to the administration of the Plan;

(c) to materially modify the requirements as to eligibility for participation in the Plan; or

(d) to change the provisions of this Section 13.

13.03 No amendment or termination of the Plan by either the shareholders of the Company or the Board of Directors shall, without his consent, affect any incentive compensation award theretofore made to a Participant.

14. DEFINITIONS

Unless otherwise required by the context, the terms used in this Plan shall have the meanings set forth in this Section 14.

BENEFICIARY: As applied to a Participant, a person or entity (including a trust or the estate of the Participant) designated with the approval of the Committee, in a written document executed by the Participant in such form as shall be approved by the Committee, to receive the unpaid balance of an award after the death of the Participant. If at the time when an unpaid balance of an award shall be or become payable at or after the death of a Participant there shall not be any living person or any entity in existence so designated, the term "Beneficiary" shall mean the legal representatives of the Participant's estate.

BOARD OR BOARD OF DIRECTORS: The Board of Directors of the Company.

CHANGE IN CONTROL: A change in control of the Company as defined in paragraph 5.07(b) above.

CHIEF EXECUTIVE OFFICER: Such officer of the Company as shall at the time have been designated by the Board of Directors to serve as chief executive officer of the Company.

COMMITTEE OR COMMITTEE ON OFFICERS' COMPENSATION: The Committee on Officers' Compensation, or any successor or substituted committee, of the Board of Directors.

COMMON STOCK: The common stock of the Company, par value \$0.625 per share, or such other class of shares or securities as may be applicable pursuant to an adjustment made under the Plan.

COMPANY: Borden, Inc., a New Jersey corporation.

COMPENSATION YEAR: A calendar year for which the Plan is in effect in accordance with the provisions of Section 11 above.

CORPORATE DIVISION: Major units of Borden, Inc., as determined by the chief executive officer from time to time.

FAIR MARKET VALUE: As applied to a specific date, the average of the highest and lowest quoted selling prices of Common Stock on sales reported for such date for New York Stock Exchange issues on the consolidated stock exchange network or, if Common Stock was not traded on such date, on the next preceding day on which the Common Stock was so traded, or such other standard as may reasonably be fixed by the Committee.

INCENTIVE COMPENSATION AMOUNT: As applied to a Compensation Year, the aggregate amount of the awards determined for such Compensation Year, beginning in 1994 and continuing through 1998, as set forth in Section 2 of the Plan.

INCENTIVE COMPENSATION GROUP: As applied to a Compensation Year, the employees for such Compensation Year determined pursuant to paragraph 4.01 of the Plan.

PARTICIPANT: A member of the Incentive Compensation Group.

PLAN: The Plan set forth in these pages. Any reference to this Plan may be made by reference to the title "1994 Management Incentive Plan" or by other suitable identification.

PRETAX INCOME: The pretax income of the continuing operations of the Company.

PRIOR MANAGEMENT INCENTIVE PLANS: Management incentive plans of the Company that had been approved by its shareholders, namely, the Company's 1969, 1974, 1979, 1984, and 1989 Management Incentive Plans.

SECTION 162(m): Section 162(m) of the Internal Revenue Code of 1986 as amended by the Revenue Reconciliation Act of 1993 and as it may be further amended from time to time.

SHARE UNIT: A unit entitling the Participant to receive at a designated time or times in the future a cash payment equal to the Fair Market Value at such time or times of one share of Common Stock.

SUBSIDIARY: A corporation or other form of business association of which shares (or other ownership interests) having 50% or more of the voting power are owned or controlled, directly or indirectly, by the Company.

15. COMPLIANCE WITH RULE 16b-3 AND SECTION 162(m)

(a) With respect to employees subject to Section 16(b) of the Securities Exchange Act of 1934 as amended or Section 162(m), except to the extent that the Committee determines otherwise, transactions under the Plan are intended to, and shall, comply with all applicable conditions of Rule 16b-3 and avoid loss of the deduction referred to in paragraph (1) of Section 162(m), and every provision of the Plan shall be administered, interpreted and construed to carry out that intent. Anything in the Plan or elsewhere to the contrary notwithstanding, to the extent any provision of the Plan or action by the plan administrators fails to so comply it shall be disregarded to the extent permitted by law and deemed advisable by the plan administrators concerned with matters relating to employees subject to Section 16(b) and Section 162(m) respectively.

(b) Notwithstanding any provision of the Plan to the contrary,

(i) the Plan is intended to give the Committee the authority to grant incentive awards that qualify as performance-based compensation under Section 162(m), and if specifically authorized by the Committee incentive awards that do not so qualify. Every provision of the Plan shall be administered, interpreted and construed to carry out such intention and any provision that cannot be so administered, interpreted and construed shall to that extent be disregarded; and

(ii) any Provision of the Plan that would prevent an incentive award that the Committee intends to qualify as performance-based compensation under Section 162(m) from so qualifying shall be administered, interpreted and construed to carry out such intention and any provision that cannot be so administered, interpreted and construed shall to that extent be disregarded.

1994 STOCK OPTION PLAN

1. PURPOSE

The purpose of the Plan is to cement more closely the many bonds which exist between the Company and its key employees, to give them an interest in the Company parallel to that of the shareholders, to increase their proprietary interest in the Company, to furnish an inducement for them to remain in its employ, and to assist in attracting, motivating and retaining employees who are contributing significantly, or are considered, in the opinion of the Committee, to have the potential to contribute significantly to the success of the Company or a unit of the Company.

2. ELIGIBILITY AND ADMINISTRATION

(a) Only key employees of the Company may be granted stock options or restricted stock under the Plan. No key employee shall be disqualified to receive such an option or restricted stock merely because he is already a shareholder of the Company nor merely because he is a member of the Board of Directors of the Company. For all purposes of the Plan, the "Company" shall mean Borden, Inc.; and employees of subsidiaries shall be deemed to be employees of the Company. For the purpose of an Incentive Stock Option, a subsidiary shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the granting of such option, each of the corporations other than the last corporation in the chain owns stock having 50% or more of the combined voting power of all classes of stock in one of the other corporations in such chain. For all other purposes of the Plan, a subsidiary shall mean a corporation or other form of business association of which shares (or other ownership interests) having 50% or more of the voting power are owned or controlled, directly or indirectly, by the Company.

(b) The key employees to whom options shall be granted and the number of shares of stock covered by each option shall be designated, by or only in accordance with the recommendations of, and the Plan shall be administered, interpreted and construed by, a duly authorized committee of not less than three members of the Board of Directors of the Company (the "Committee"), each of whom shall be a "disinterested person" within the meaning of Rule 16b-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended from time to time, or any law, rule, regulation or other provision that may hereafter replace such rule ("Rule 16b-3"), and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986 as amended by the Revenue Reconciliation Act of 1993 ("Section 162(m)"). Subject to the provisions of the Plan, the Committee shall have full authority to administer, interpret and construe the Plan and options granted thereunder, to determine the times when options shall be granted and the times when they may be exercised, to prescribe, amend and rescind rules and regulations of general application relating to the Plan, to determine the terms and conditions of options and provisions with reference to the effect of approved leaves of absence which, in the case of Incentive Stock Options, shall be consistent with requirements relating to Incentive Stock Options under regulations of

the United States Treasury Department at the time in effect, and to make all other determinations necessary or advisable for the administration of the Plan. The determinations of the Board of Directors of the Company (the "Board") and of the Committee under the Plan shall be final, conclusive and binding on the Company and its shareholders and upon all employees eligible to participate in the Plan and anyone claiming under or through any of them. Anything in this Plan to the contrary notwithstanding, insofar as this Plan applies to employees who are not subject to reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended from time to time, and who are not "covered employees" within the meaning of Section 162(m) with respect to equity securities of the Company, determinations and interpretations in individual cases can be made by, or at the direction of the Chief Executive Officer of the Company.

3. SHARES SUBJECT TO THE PLAN

(a) The shares covered by options and restricted stock grants may be either authorized but unissued Common Stock of the Company as such stock is constituted at the time ("Common Stock"); or may be Common Stock previously issued but then held in the treasury of the Company. In the event of any change in the stock subject to restricted stock grants or being optioned under this Plan, or to options granted hereunder, through merger, consolidation, or reorganization, or in the event of any dividend to holders of such stock payable in stock of the same class or the issue to such holders of rights to subscribe to stock of the same class, or in the event of any other change in the capital structure, the Committee may make such adjustments with respect to options and restricted stock, or any provision of this Plan, as it deems equitable to prevent dilution or enlargement of restricted stock and option rights provided, however, that all adjustments made as a result of the foregoing in respect of each stock option which is granted as an Incentive Stock Option shall be made so that such stock option shall continue to be an Incentive Stock Option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, or any provision that may hereafter be enacted in lieu thereof ("Section 422"). Subject to the next preceding sentence, there shall be reserved for issuance under this Plan, six million (6,000,000) shares of which no more than 1,000,000 may be issued in the form of restricted stock.

(b) No options, stock appreciation rights (sometimes herein referred to as "Rights" or "SARs") or shares of restricted stock shall be granted after April 30, 1999. The Plan shall continue in effect in accordance with its terms after April 30, 1999 with respect to options, SARs, and shares of restricted stock theretofore granted.

(c) Upon the granting of any option, the Company may set aside and hold in reserve in a properly designated account an amount of stock equal to that called for by the option.

(d) Subject to the provisions of paragraph 3(a) above, any shares subject to an option and any restricted stock granted under the Plan which terminate, are cancelled or expire for any reason unexercised or are forfeited may, except as provided in paragraph 4(h)(iii) relating to stock appreciation rights, again be made subject to an option or restricted stock grant under the Plan, provided, however, that with respect to an optionee who is subject to the provisions of Section 16(b) of the Securities Exchange Act of 1934, the number of shares for use under the Plan for such optionee (a "Section

16 Person"), shall be in accord with any applicable requirements of Rule 16b-3.

4. FORM AND TERMS OF OPTION

Options shall be evidenced by agreements in such form as the Committee shall approve and the granting of such options and the form of said agreements to evidence the same shall comply with and be subject to the following terms and conditions:

(A) **FORM OF OPTION.** Any option granted hereunder may, but need not, be an Incentive Stock Option; provided, however, that any provision of the Plan to the contrary notwithstanding, the aggregate fair market value (determined at the time the option is granted) of the shares with respect to which Incentive Stock Options are exercisable for the first time by the optionee during any calendar year under all plans of his employer corporation and its parent corporation (as defined in Section 424(e) of the Internal Revenue Code of 1986, as amended) and subsidiaries shall not exceed \$100,000. Each provision of the Plan and of each Incentive Stock Option thereunder shall be construed so that such option shall be an Incentive Stock Option and any provision thereof which cannot be so construed shall be disregarded.

REPLACEMENT OPTION. Subject to the provisions of paragraph 4(c) below, the Committee may provide, either at the time of the grant of an option or subsequently, for the grant of a Replacement Option. Without limiting the authority of the Committee to make grants hereunder, the Committee may, but need not, include within any option agreement under this Plan or under the 1984 Plan as Amended, which shall be deemed to be so amended, a provision entitling the optionee to a further option (a "Replacement Option") in the event the optionee exercises the option evidenced by the option agreement, in whole or in part, by surrendering other shares of the Company in accordance with this Plan, or the 1984 Plan as Amended, as the case may be, and the terms and conditions of the option agreement. Any such Replacement Option shall be for a number of shares equal to the number of surrendered shares, shall become exercisable in the event the purchased shares are held for a minimum period of time established by the Committee, and shall be subject to such other terms and conditions as the Committee may determine.

(B) **INCENTIVE STOCK OPTION DEFINED.** An Incentive Stock Option shall mean an option intended by the Company to meet the requirements of Section 422 and regulations of the Treasury Department thereunder.

(C) **SHARE LIMITATION.** One individual may hold more than one option. Subject to the provisions of paragraph 3(a) above, no one individual participant may receive more than, an aggregate of 1,400,000 options during the period commencing with the effective date as defined herein in Section 7 and ending at the close of business on April 30, 1999.

(D) **PERIOD OF EXERCISE AND PRICE.** Options may not run for more than ten years from the date of grant and, subject to the provision of the last sentence of this paragraph 4(d), shall entitle the holder to buy shares of Common Stock to the number therein specified at fair market value, which for purposes of the Plan shall mean an amount as nearly equal to as practical but not less than 100% of the mean between the highest and lowest selling prices for Common Stock on the day such option is granted (or on such other valuation day or days as may be applicable) as reported on the consolidated trading network; provided,

however, that in the case of an Incentive Stock Option, if the foregoing method of determining fair market value should be inconsistent with any regulation adopted by the Treasury Department applicable to Incentive Stock Options, fair market value shall be determined by the Committee in a manner consistent with such regulations and shall mean the value as so determined. The purchase price of shares subject to any option granted under the Plan, shall be payable in U.S. funds on delivery of the certificates for the purchased stock or, if, to the extent, and on the terms and conditions specifically authorized by the option agreement, in whole shares of Common Stock or in a combination of such funds and such shares, provided that the sum of such funds and the fair market value of such shares (determined as provided above) on the date of such exercise shall be not less than the full purchase price.

The holder may from time to time exercise his option in part and retain the remaining part for a longer period within the option term.

Anything in this paragraph 4(d) or elsewhere in the Plan to the contrary notwithstanding, in the case of any option grant, the Committee may provide for an exercise price that varies during the term of the option but not below 100% of the mean between the highest and lowest selling prices for Common Stock on the day such option is granted (or on such other valuation day or days as may be applicable) as reported on the consolidated trading network based upon such terms, conditions, indexes and standards, if any, as the Committee may determine. 1

(E) CONSIDERATION.

(i) No option may be exercised in whole or in part unless and until the individual to whom it was granted shall have remained in the employ of the Company for a period of time after the date of grant of such option, but not less than 12 months from the first day of the month in which the option shall have been granted except in the event of death, disability, Retirement or a Change in Control, as may have been prescribed by the Committee in its sole discretion. The Committee may, at any time, authorize, subject to such terms, conditions and limitations as the Committee may impose, an option to be exercised in whole or in part in the event that death, disability, Retirement or a Change in Control should occur less than 12 months after the date of grant of such option.

(ii) A "Change in Control" shall be deemed to occur if and when (a) an offeror other than the Company purchases shares of Common Stock pursuant to a tender or exchange offer for such shares, (b) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities, (c) the membership of the Board changes as the result of a contested election, such that

 1 These types of options are typically referred to as indexed or premium priced options. In either case, the option exercise price is adjusted upward after grant either based on an applicable index, such as the Standard and Poors 500 Stock Index, or other indexes or in the case of premium priced options, the exercise price is increased over time by the Committee a specified percentage or amount above the fair market value at the date of grant. In either type of option the exercise price would never be less than the fair market value on the date of grant.

individuals who were directors at the beginning of any twenty-four month period (whether commencing before or after the date of adoption of this Plan) do not constitute a majority of the Board at the end of such period, or (d) shareholders of the Company approve a merger, consolidation, sale or disposition of all or substantially all of the Company's assets, or a plan of partial or complete liquidation.

(iii) "Retirement" means (a) retirement at or after attaining age 65, and (b) retirement prior to attaining age 65, provided that the employee is entitled to receive a benefit under a retirement plan of the Company or of a subsidiary in which such employee participates, and provided, further, that the Committee, in the case of an employee subject to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended and in effect at the time ("Section 16(b)"), or the Chief Executive Officer, in the case of any other employee, shall have consented to such retirement in advance thereof or subsequent thereto, with specific reference to this Plan, subject to fulfillment of any terms, conditions and limitations as the Committee or the Chief Executive Officer, as the case may be, may have imposed.

(F) TRANSFER, TERMINATION, DEATH, DISABILITY AND RETIREMENT.

(i) Any provision of the Plan to the contrary notwithstanding, any derivative security issued under the Plan (within the meaning of paragraph (a) (2) of SEC Rule 16b-3 as amended), including without limitation any option or stock appreciation right, shall not be transferable other than by will or the laws of descent and distribution or to a death beneficiary ("Beneficiary") designated by the optionee. Any purported transfer of a derivative security to a Beneficiary by a Section 16 Person, and any purported transfer of an Incentive Stock Option to a Beneficiary, shall be effective only if such transfer is, in the opinion of counsel to the Company, permissible under and consistent with SEC Rule 16b-3 or Section 422 of the Code, as the case may be. Notwithstanding the foregoing, a participant may transfer any option or SAR granted under this Plan, other than an Incentive Stock Option or any SAR that is linked to an Incentive Stock Option, to members of his immediate family (defined as his children, grandchildren and spouse) or to one or more trusts for the benefit of such family members or partnerships in which such family members are the only partners if (and only if) the instrument evidencing such option or SAR expressly so provides (or is amended to so provide) and the participant does not receive any consideration for the transfer; provided that any such transferred option or SAR shall continue to be subject to the same terms and conditions that were applicable to such option or SAR immediately prior to its transfer (except that such transferred option or SAR shall not be further transferable by the transferee during the transferee's lifetime) and provided, further, that the foregoing provisions of this sentence shall not apply to any Section 16 Person unless and until SEC Rule 16b-3 as amended in SEC Release No. 34-28869 becomes

effective with respect to the Plan. If in the opinion of counsel, should the transfer of an instrument under this Plan disqualify the instrument as an exempt performance-based instrument under Section 162(m), or should the transfer of any instrument under this Plan cause the instrument, or the Plan, to be non-exempt under Rule 16b-3, then the transfer shall not be made. Options, SARs and unvested restricted stock shall terminate or be forfeited, as the case may be, upon the grantee leaving the company except upon death, disability or Retirement provided, however, that the Committee may in its discretion provide at any time on or after the date of grant of an option granted under the Plan, while such option and any related stock appreciation right is exercisable, that if the optionee is terminated by the Company without cause within two (2) years following a Change in Control of the Company, the optionee shall have a period of ninety (90) days following such termination (but not beyond the expiration date of the option or SAR) within which to exercise such option or SAR unless the optionee is otherwise entitled to exercise the option or SAR for a longer period of time. The Company may at any time terminate the employment of any option holder with or without cause and, subject to the proviso in the next preceding sentence, upon such termination any such option or the unexercised portion shall be cancelled without any liability on the part of the Company.

(ii) The holder of an option granted under the Plan may exercise his option, after Retirement or commencement of disability, subject to the terms, conditions and limitations provided in the option and in any consent by the Committee or Chief Executive Officer to retirement prior to attaining age 65, for the period specified in his option, which may not extend beyond two years following commencement of disability (whether or not he is then an employee of the Company) and the balance of the original option term following the date of Retirement; provided, however, that if the holder retires at or after attaining age 55, the Committee may in its discretion provide, at any time on or prior to such retirement, that the holder may exercise any option granted to him under the Plan, or the 1984 Plan as Amended during a specified period extending not beyond the term of the option, and the 1984 Plan as Amended shall be deemed to conform to the foregoing provisions of this sentence applicable to options granted thereunder. On the death of the option holder while he is in the employ of the Company or within two years following commencement of disability or following Retirement, while the option is exercisable, such option may be exercised, subject to the terms, conditions and limitations provided in the option, by his heirs, executors, or administrators or permitted assignees or transferees at any time within the period specified in his option but not more than one year following the date of death. In no event may an option be so exercised after the expiration of the original term thereof.

(G) CONDITIONS OF EXERCISE.

(i) No option may be exercised by the holder thereof if, at the time, the exercise of such option and the issuance of stock thereunder would be contrary to law or the regulations of any duly constituted authority having jurisdiction of the subject matter.

(ii) Appropriate provision shall be made for all taxes the Company determines to be required to be withheld under the laws or other regulations of any governmental authority, whether Federal, state or local and whether domestic or foreign, in connection with the exercise of any option or stock appreciation right granted under the Plan. The Committee may provide, in an option agreement or otherwise, that in the event that an optionee is required to pay to the Company any amount to be withheld for taxes in connection with the exercise of an option under the Plan, the optionee may satisfy such obligation, in whole or in part, by electing to have the Company withhold a portion of the shares of Common Stock to be received upon the exercise of the option, otherwise issuable to the optionee upon such exercise, having a value equal to the amount to be withheld (or such portion thereof as the optionee may elect). The value of the shares to be withheld shall be their fair market value on the date that the amount of tax to be withheld is to be determined (the "Tax Date"). Any election by an optionee to have shares withheld under this subsection (ii) shall be subject to such terms and conditions as the Committee may specify which may include all or part of the following restrictions:

(aa) the election shall be irrevocable;

(bb) the election shall be subject, in whole or in part, to the approval of the Committee and to such rules as it may adopt;

(cc) the election may not be made within six months of the date of grant of the option being exercised (except that this limitation shall not apply in the event that the death or disability of the optionee occurs prior to the expiration of such six-month period); and

(dd) in the case of a Section 16 Person, the election must be made either (a) not less than six months prior to the Tax Date, or (b) during the period beginning on the third business day following the date of release for publication of the Company's quarterly or annual summary statements of sales and earnings and ending on the twelfth business day following such date (a "window period").

(H) STOCK APPRECIATION RIGHTS AND LIMITED STOCK APPRECIATION RIGHTS.

Stock appreciation rights and limited stock appreciation rights ("LSARs") may be granted in connection with all or any part of any stock option granted under this Plan, at the time of the grant of such option. Stock appreciation rights shall, upon their exercise, entitle the holder of the related option, to the extent unexercised, to surrender the related option, in whole or in part, and to receive a number of shares of Common

Stock or cash, or a combination of such shares and cash, determined as hereinafter set forth.

A limited stock appreciation right is a form of stock appreciation right that differs from a stock appreciation right by the fact that a limited stock appreciation right is exercisable only upon or following a Change in Control. In all other respects, LSARS shall have the same terms, provisions, and conditions that are applicable to stock appreciation rights in the Plan.

(i) Stock appreciation rights shall be subject to such terms and conditions, not inconsistent with the Plan under which the related stock option shall have been or shall be granted, as shall from time to time be determined by the Committee and to the following terms and conditions:

(aa) Stock appreciation rights shall in no event be exercisable except at such time or times and to the extent that the option to which they relate shall be exercisable.

(bb) Upon exercise of a stock appreciation right, the holder thereof shall be entitled to receive such number of the shares of the Common Stock as may be authorized by the Committee, the aggregate value of which shall not exceed the amount by which the fair market value per share of such stock on the date of such exercise shall exceed the option price per share of the related option multiplied by the number of shares in respect of which the stock appreciation right shall have been exercised. For purposes of the preceding sentence, the "fair market value per share" of Common Stock on the date of exercise of the stock appreciation right shall mean an amount as nearly equal to as practical but not more than 100% of the mean between the highest and lowest selling prices for Common Stock on the day such stock appreciation right is exercised as reported on the consolidated trading network; provided that with respect to exercises of stock appreciation rights by a Section 16 Person during a Window Period or during the thirty-day period following a Change in Control (a "Change in Control Period"), the Committee may, at any time, prescribe, by rule of general application, such other measure of fair market value per share as the Committee may, in its discretion, determine but not in excess of the highest daily mean between the highest and lowest selling prices for Common Stock during such Window Period or such Change in Control Period as reported on the consolidated trading network and, in the case of stock appreciation rights that relate to an Incentive Stock Option, not in excess of the maximum amount that may be paid under the Treasury Regulations under Section 422 without disqualifying such option as an Incentive Stock

Option under Section 422 and provided further that any such measure of fair market value per share determined by the Committee may be used with respect to the exercise of stock appreciation rights notwithstanding that the expiration date of such Rights, though after the exercise date, is before the end of the applicable Window Period, Change in Control Period or other measuring period used. All or any part of the obligation arising out of an exercise of stock appreciation rights may be settled by the payment of cash equal to the aggregate value of the shares (or a fraction of a share) that would otherwise be delivered under the preceding provisions of this paragraph. Any provision of the Plan to the contrary notwithstanding, in the case of an exercise of stock appreciation rights by a Section 16 Person, the Committee shall have sole discretion to determine, in each case or by rule of general application or otherwise, whether such exercise shall be settled in the form of shares of Common Stock or cash, or cash and shares of such Common Stock.

(cc) Any election by a holder of stock appreciation rights to receive cash in full or partial settlement of stock appreciation rights, as well as any exercise by him of his stock appreciation rights for such cash, shall be made only in compliance with any applicable provision of Rule 16b-3 exempting such election or exercise from the operation of Section 16(b).

(ii) To the extent that a stock appreciation right shall be exercised, the stock option in connection with which such stock appreciation right shall have been granted shall be deemed to have been exercised for the purpose of the maximum limitation as to the number of shares that may be purchased under the plan under which such option was granted.

(iii) Following the death of the holder of an option granted under the Plan and irrespective of whether stock appreciation rights shall have been granted in connection with his option, the Company may, in its discretion, upon the request of the then holder of an exercisable option and in consideration for the surrender of such option, pay the amount by which the fair market value per share on the date of such request (determined in the manner applicable to stock appreciation rights) of the stock subject to such option shall exceed the option price per share multiplied by the number of shares as to which the request is made; provided that no such payment or surrender shall be made in respect of any

Incentive Stock Option under Section 422 unless the fair market value per share of Common Stock on the date thereof (determined in accordance with the Treasury Regulations under Section 422) exceeds the option price per share and provided further that in no event shall such payment in respect of any Incentive Stock Option under Section 422 exceed the maximum amount that may be paid under the Treasury Regulations under Section 422 without disqualifying such option as an Incentive Stock Option under Section 422. The number of shares subject to an option so surrendered shall be charged against the maximum limitation as to the number of shares that may be purchased under the Plan.

5. RESTRICTED STOCK

(A) STOCK AND ADMINISTRATION. Shares of restricted stock may be issued either alone or in addition to other grants under the Plan. The Committee shall determine the key employees of the Company to whom, and the time or times at which, grants of restricted stock will be made, the number of shares to be granted, the time or times within which such grants may be subject to forfeiture, and all other conditions of the grants. In addition to any other conditions or restrictions to be imposed in connection with the grant of any restricted stock, the Committee may determine to condition such grant upon the attainment of performance goals. The Committee may also require a cash payment as a condition to the receipt of any Common Stock subject to a restricted stock grant. The provisions of restricted stock grants need not be the same with respect to each recipient. Subject to the provisions of paragraph 3(a) above, shares of restricted stock previously granted, but which are forfeited pursuant to paragraph (c) of this Section 5, shall be available for future grants under the Plan.

(B) GRANTS AND CERTIFICATES. The prospective recipient of a grant of shares of restricted stock shall not, with respect to such grant, be deemed to have become a participant, or have any rights with respect to such grant, until and unless such recipient shall have executed an agreement or other instrument evidencing the grant and containing such terms and conditions, including for vesting or retention of the shares, as the Committee may impose and delivered a fully executed copy thereof to the Company, and otherwise complied with the then applicable terms and conditions.

(i) Each participant shall be issued a stock certificate in respect of shares of restricted stock granted under the Plan. Such certificate shall be registered in the name of the participant, and may bear an appropriate legend referring to the terms, conditions and restrictions applicable to such grant, substantially in the following form:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Borden, Inc. 1994 Stock Option Plan and an agreement entered into between the registered owner and Borden, Inc. Copies of such Plan and agreement are on file in the offices of Borden, Inc., 180 East Broad Street, Columbus, OH 43215."

(ii) The Committee may require that the stock certificates evidencing such shares be held in custody by the Company or an unrelated custodian until the restrictions thereon shall have lapsed, and may require, as a condition of any restricted stock grant, that the participant shall have delivered a stock power, endorsed in blank, relating to the stock covered by such grant.

(C) RESTRICTIONS AND CONDITIONS. The shares of restricted stock granted pursuant to the Plan shall be subject to the following restrictions and conditions:

(i) Subject to the provisions of the Plan and the grant agreements, during a period set by the Committee commencing with the date of such grant (the "Restriction Period"), the participant shall not be permitted to sell, transfer, pledge, assign or otherwise encumber shares of restricted stock granted under the Plan. Within these limits the Committee may provide for the lapse of such restrictions in installments where deemed appropriate.

(ii) Except as provided in paragraph (c)(i) of this Section 5, the participant shall have, with respect to the shares of restricted stock, all of the rights of a shareholder of the Company, including the right to vote the shares and the right to receive any cash dividends. The Committee, in its sole discretion, may permit or require the payment of cash dividends to be deferred and, if the Committee so determines, reinvested in additional restricted stock or otherwise reinvested. Certificates for shares of unrestricted stock shall be delivered to the participant promptly after, and only after, the period of forfeiture shall expire without forfeiture in respect of such shares of restricted stock.

(iii) Subject to the provisions of paragraph (c)(iv) of this Section 5, if the participant ceases to be employed by the Company for any reason during the Restriction Period, all shares still subject to restrictions shall be forfeited by the participant and reacquired by the Company.

(iv) In the event of a participant's retirement, disability, or death, or in cases of special circumstances, the Committee may, in its sole discretion, when it finds that a waiver would be in the best interests of the Company, waive in whole or in part any or all remaining restrictions with respect to such participant's shares of restricted stock.

6. AMENDMENT AND DISCONTINUANCE

The Board of Directors may amend, from time to time, or discontinue this Plan, provided that, without the approval of the shareholders of the Company, no amendment shall be made which (a) increases the aggregate number of shares of Common Stock that may be purchased upon exercise of options or granted as restricted stock under the Plan, or increases the number of shares that may be received by any one individual pursuant to paragraph 4(c) herein, (b) permits any option to be exercised more than ten years after the date it was granted, (c) permits any option or restricted stock to be granted after April 30, 1999, (d) materially increases benefits accruing to participants under the Plan, or (e) amends any provision of this paragraph 6. No amendment or discontinuance of this Plan by the Committee, the Board of Directors or the shareholders of the Company shall, without the consent of the employee, adversely affect any option or restricted stock theretofore granted to him. Subject to the foregoing and the requirements of Section 162(m), the Board may, in accordance with the recommendation of the Committee and without further action on the part of the

shareholders of the Company or the consent of participants, amend the Plan, (a) to permit or facilitate qualification of options thereafter granted under the Plan as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986 as amended, and (b) to preserve the employer deduction under Section 162(m).

7. EFFECTIVE DATE

This Plan shall be effective upon its adoption by the Board of Directors of the Company, subject to the approval of the Plan by the affirmative vote of the holders of a majority of the outstanding voting stock of the Company present or represented and entitled to vote at the 1994 Annual Meeting of Shareholders or any adjournment thereof.

8. LAWS OF FOREIGN JURISDICTIONS

The Committee may, from time to time, adopt, amend and terminate, under the Plan, such options, plans, programs or arrangements, containing terms, conditions, limitations and restrictions not inconsistent with the intent and objectives of the Plan, as it may deem necessary or desirable to make available, tax or other benefits of the laws of any foreign jurisdiction, to individuals subject thereto who are eligible key employees of the Company.

9. COMPLIANCE WITH RULE 16B-3 AND SECTION 162(M)

With respect to employees subject to Section 16(b) or Section 162(m), transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 and avoid loss of the deduction referred to in paragraph (1) of Section 162(m). Anything in the Plan or elsewhere to the contrary notwithstanding, to the extent any provision of the Plan or action by the plan administrators fails to so comply or avoid the loss of such deduction, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the plan administrators concerned with matters relating to employees subject to Section 16(b) and Section 162(m) respectively.

EXHIBIT 10 (vi)

BORDEN, INC.

EXECUTIVE FAMILY SURVIVOR PROTECTION PLAN

Amended as of January 1, 1987

Conformed through December 9, 1993

FOREWORD

Effective as of January 1, 1981, Borden, Inc. has adopted the Borden, Inc. Executive Family Survivor Protection Plan (the "Plan") for the benefit of certain of its executives. The purpose of the Plan is to provide certain executives and retired executives with additional protection for their eligible surviving dependents in the event of death during their active careers or after retirement, and additional protection in the event of disability during their active careers.

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SECTION ONE

Definitions

The following definitions shall apply:

- 1.1 "Borden ERIP" means the Borden, Inc. Employees Retirement Income Plan.
- 1.2 "Borden RSP" means the Borden, Inc. Retirement Savings Plan.
- 1.3 "Chief Executive Officer" means the Chief Executive Officer of the Corporation.
- 1.4 "Core Management Group" means the Executive Employees designated as members of the Core Management Group of the Corporation by the Chief Executive Officer.
- 1.5 "Corporate Group" means the Corporation and any of its subsidiaries.
- 1.6 "Corporation" means Borden, Inc. and any successor to such corporation by merger, purchase or otherwise.
- 1.7 "Effective Date" means January 1, 1981.
- 1.8 "Executive Employee" means an individual employed by a member of the Corporate Group in a key executive or managerial position and who is in the group designated by the Chief Executive Officer as the ROSE group.
- 1.9 "Final Average Pay" means an amount equal to the highest average which can be produced by averaging an Executive Employee's compensation (as hereinafter defined) for any five consecutive calendar years within the last ten calendar years prior to his or her death or earlier retirement. For this purpose, compensation shall mean the total compensation paid in a calendar year to an Executive Employee by the Corporate Group before reduction for Tax-Deferred contributions under the Borden, Inc. Retirement Savings Plan and for Elective Salary Deferrals (as defined in the Borden, Inc. Executives Supplemental Pension Plan), exclusive of incentive bonuses deferred from earlier years at the election of the Executive Employee and specifically excluding Long Term Incentive Earnings. In computing the highest average, any incentive bonuses included in compensation shall be averaged separately from the balance of such compensation.

- 1.10 "Minor Child or Children" with respect to a Participant means each person who is the natural or legally adopted son or daughter of the Participant or of his or her Spouse and who has not yet attained his or her eighteenth birthday.
- 1.11 "Participant" means each Executive Employee who is an Active or Retired Participant in accordance with the provisions of Section Two of the Plan.
- 1.12 "Plan" means this Executive Family Survivor Protection Plan as from time to time in effect.
- 1.13 "Spouse" means the spouse who is legally married to the Participant at the earlier of the death of the Participant or the Participant's retirement.

SECTION TWO

Participation

2.1 Active Participant

An Executive Employee shall become an Active Participant covered under this Plan only if he or she is so designated by the Chief Executive Officer. Such designation shall be evidenced by a written statement to the Active Participant summarizing the coverage provided under the Plan for such Active Participant. Each Executive Employee designated an Active Participant shall remain an Active Participant until the earlier of (i) the date as of which his or her coverage under the Plan has been terminated at the direction of the Chief Executive Officer (which can be done at any time at his or her discretion) or (ii) the date his or her employment with the Corporate Group terminates.

2.2 Retired Participant

An Active Participant who retires on or after the Effective Date and on or after his or her sixty-fifth birthday shall become a Retired Participant. An Active Participant who retires before his or her sixty-fifth birthday shall become a Retired Participant only if so specifically designated by the Chief Executive Officer in writing and such designation remains in effect after his or her retirement. Such designation shall be completely at the discretion of the Chief Executive Officer who may take into consideration any of the following circumstances: the length of service of the Active Participant, whether such early retirement is voluntary or involuntary, whether it is anticipated that the Active Participant will engage in competitive employment, how close to normal retirement the Active Participant is at the time of his or her retirement, and any other relevant circumstances. The listing of considerations which may be considered by the Chief Executive Officer is not intended to require or imply that all or any of them shall be considered in any particular case.

SECTION THREE

Death and Disability Benefits
-----3.1 Death of Active Participant

(a) Lump Sum Benefits

Upon the death after June 30, 1986 of an Active Participant who at such time was a member of the Core Management Group, or upon the death after December 31, 1986 of any other Active Participant, his or her beneficiary, as designated under the Basic/Supplemental Life portions of the Borden, Inc. Total Family Protection Plan ("Group Life Plan"), or, if no such beneficiary exists, the beneficiary under the High Limit Accidental Death and Dismemberment portion of the Borden, Inc. Total Family Protection Plan, shall be entitled to receive a lump sum payment equal to one times the Participant's Annual Earnings, as defined in the Group Life Plan, rounded to the next higher \$100 if not already a multiple of \$100.

(b) Monthly Benefits

Upon the death of an Active Participant prior to attaining age 65, his or her surviving Spouse shall be entitled to a monthly benefit commencing on the first day of the month next following the Active Participant's death and payable through the month in which the death of the surviving Spouse or remarriage of such surviving Spouse occurs. Upon the death of an Active Participant on or after attaining age 65, his or her surviving Spouse shall be entitled to a monthly benefit commencing on the first day of the month next following the Active Participant's death and payable through the month in which the death of the surviving spouse occurs. If at any time on or after the Active Participant's death there is no surviving Spouse entitled to receive a benefit but there are one or more Minor Children of the Active Participant, an amount equal to fifty percent of the benefit which was or would have been payable to the Active Participant's Spouse entitled to receive a benefit shall be divided equally among the Minor Children, and such fifty percent of the benefit shall be payable through the month in which the last of the Minor Children reach their majority or decease. The share of any child who reaches majority shall thereafter be divided equally among any remaining Minor Children.

The amount of monthly benefit payable to the surviving Spouse shall be equal to one-twelfth of a percentage of the Active Participant's Final Average Pay, such percentage depending on the age at which the Active Participant's death occurs and whether the Active Participant was a member of the Core Management Group as follows:

	Percentage of Final Average Pay Active Participants in Core Management Group -----	Other Active Participants -----
Before age 55	25%	20%
After age 55 and before age 56	25%	20%
After age 56 and before age 57	24%	19%
After age 57 and before age 58	23%	18%
After age 58 and before age 59	22%	17%
After age 59 and before age 60	21%	16%
After age 60 and before age 61	20%	15%
After age 61 and before age 62	19%	14%
After age 62 and before age 63	18%	13%
After age 63 and before age 64	17%	12%
After age 64 and before age 65	16%	11%
After age 65	15%	10%

3.2 Death of Retired Participant -----

(a) Lump Sum Benefits

Upon the death of a Retired Participant who at time of retirement was a member of the Core Management Group, his or her beneficiary, as designated under the Group Life Plan, shall be entitled to receive a lump sum payment equal to the difference between the amount which would have been payable under the terms of the Group Life Plan as in effect on June 30, 1986, and the amount actually payable under the terms of the Group Life Plan as in effect after June 30, 1986.

(b) Monthly Benefits

Unless waived in accordance with subsection (c) below, upon the death of a Retired Participant who was an Active Participant and had attained the age of 60 as of June 30, 1986, his or her surviving Spouse shall be entitled to a monthly benefit in accord with this paragraph commencing on the first day of the month next following the Retired Participant's death. If the Retired Participant retired prior to attaining age 65, the monthly benefit shall be payable through the earlier of the

month in which the death of the surviving Spouse or the remarriage of such the surviving Spouse occurs. If the Retired Participant retired on or after attaining age 65, the monthly benefit shall be payable through the month in which the death of the surviving Spouse occurs. If at any time on or after the Retired Participant's death there is no surviving Spouse or the Spouse has remarried entitled to receive a benefit but there are one or more Minor Children, an amount equal to fifty percent of the benefit which was or would have been payable to the Retired Participant's Spouse entitled to receive a benefit shall be divided equally among the Minor Children, and such fifty percent of the benefit shall be payable through the month in which the last of the Minor Children reach their majority or decease. The share of any child who reaches majority shall thereafter be divided equally among any remaining Minor Children.

The amount of monthly benefit payable to the surviving Spouse shall be equal to fifteen percent of the Retired Participant's Final Average Pay if such Retired Participant was a member of the Core Management Group and ten percent of the Retired Participant's Final Average Pay if not a member of the Core Management Group.

(c) Waiver of Coverage

An Active Participant who is age 60 or older as of June 30, 1986 may elect in writing, prior to such date, to waive the coverage described in subsection (b) above. If such waiver is elected, such Participant shall be eligible for the benefits described in Section 3.4.

3.3 Disability of Active Participant

Upon the disability of an Active Participant such that he or she is entitled to benefits under the Borden, Inc. Long Term Disability Benefits Plan ("LTD Plan"), a benefit shall be payable under this Plan, in the same manner and under the same conditions as that payable under Schedule I of the LTD Plan. The amount of benefit payable under this Plan shall be the difference between the benefit payable under the LTD Plan and what would have been payable under the LTD Plan had the maximums referred to in Schedule I been as follow:

	where stated maximum is \$3,000 -----	where stated maximum is \$2,250 -----
If Active Participant is a member of the Core Management Group	\$6,000	\$4,500
All other Participants	\$4,000	\$3,000

3.4

Survivor Accumulation Account

All Active Participants who are under the age of 60 as of June 30, 1986, and all Active Participants who, in accordance with subsection 3.3(c), elect to waive the coverage described in subsection 3.3(b) shall be entitled to have Survivor Accumulation Credits established on their behalf. The Credits shall be equal to 1% (2% for periods of employment as a member of the Core Management Group) of Compensation as recognized under the Borden RSP, credited on a monthly basis. The aggregate amount of Credits, together with "deemed earnings" on such Credits, to the extent vested, shall be paid to the participant or his or her beneficiary, as applicable, from the general assets of the Corporation in accordance with Section 5.1 in a lump sum at the time of the Participant's termination of employment. "Deemed earnings" for Survivor Accumulation Credits shall be earnings at the rate of investment return on Fund A under the Borden RSP. A bookkeeping account ("Survivor Accumulation Account") shall be maintained for each affected Participant to record the amount of such Survivor Accumulation Credits. Vesting in the Survivor Accumulation Account shall be the same as if such Account were a benefit under Section A3.2 of the Borden ERIP.

Medical Accumulation Account

An Active Participant who is a member of the Core Management Group shall be entitled to have Medical Accumulation Credits established on his or her behalf, unless he or she shall have elected to participate in the Corporation's Executive Health Care Plan. The Credits shall be equal to \$350 for each month as an Active Participant and member of the Core Management Group. The aggregate amount of Credits, together with "deemed earnings" on such Credits, shall be paid to the participant or his or her beneficiary, as applicable, from the general assets of the Corporation in accordance with Section 5.1 in a lump sum at the time of the Participant's termination of employment. "Deemed earnings" for Medical Accumulation Credits shall be earnings at the rate of investment return on Fund A under the Borden RSP. A bookkeeping account ("Medical Accumulation Account") shall be maintained for each affected Participant to record the amount of such Medical Accumulation Credits. Participants shall always be 100% vested in the value of their Medical Accumulation Account.

SECTION FOUR

Events Causing Loss of Coverage or Benefits
-----4.1 Loss of Coverage for Retired Participants

Coverage under the Plan of a Retired Participant shall be contingent upon such Retired Participant's:

- (i) refraining, after the expiration of a period of thirty days from the mailing to him or her of written notice from the Corporation of a direction to do so, from engaging in the operation or management of a business, whether as owner, stockholder, partner, officer, employee or otherwise, which at the time of his or her retirement shall be in competition with any member of the Corporate Group;
- (ii) refraining from disclosing to unauthorized persons information relative to the business of any member of the Corporate Group which he or she shall have reason to believe is confidential; and
- (iii) refraining from otherwise acting or conducting himself or herself in a manner which a reasonable business person would find to be inimical or contrary to the best interests of the Corporate Group.

In the event that the Retired Participant shall fail to comply with the provisions of this Section 4.1, his or her coverage under this Plan shall cease and no benefits shall be payable upon the death of such Retired Participant.

4.2 Remarriage of Surviving Spouse

All monthly benefit payments to the surviving spouse of a Participant who either died or retired prior to attaining age 65 shall cease upon the remarriage of such Spouse. If there are Minor Children of the Participant at the time of such disqualifying remarriage payments shall be made to such Minor Children in accordance with the provisions of Section 3.1 and 3.2 until they reach their majority or decease.

SECTION FIVE
Administration

5.1 Payment of Benefits

All benefits payable under the Plan shall be paid by the Corporation from the general assets of the Corporation; provided, however, that:

- (a) The Corporation shall make no provision for the funding of any benefits payable hereunder.
- (b) In the event that the Corporation shall decide to establish an advance accrual reserve on its books against the future expense of benefit payments, such reserve shall not under any circumstances be deemed to be an asset of this Plan but, at all times, shall remain a part of the general assets of the Corporation, subject to claims of the Corporation's creditors.
- (c) Subject to the provisions of subsections (d) and (e) below, a person entitled to a benefit hereunder shall have a claim upon the Corporation only to the extent of the monthly payments thereof, if any, due up to and including the then current month and shall not have a claim against the Corporation for any subsequent monthly payment unless and until such payment shall become due and payable.
- (d) Notwithstanding any other provision hereof, all benefits which are being paid, or are then payable hereunder, the amount of all Survivor Accumulation Accounts and Medical Accumulation Accounts, and the value of reversionary annuities with respect to then Retired Participants shall become immediately due and payable to a surviving Spouse or Minor Children or to the Active or Retired Participant, as applicable, in a lump sum if: (i) the Corporation refuses to make any payments due hereunder; (ii) the Corporation makes a general assignment for the benefit of creditors; (iii) any proceedings under the Bankruptcy Act are instituted by the Corporation or, if instituted against the Corporation, is consented to or acquiesced in by it or remains undismissed for 60 days; or (iv) a receiver or trustee in bankruptcy is appointed for the Corporation. In addition, in the event of any such proceeding by or against the Corporation under the Bankruptcy Act, or any such assignment, a surviving Spouse, Minor Child or Active or Retired Participant shall be entitled to prove a claim for any unpaid portion of the benefit provided hereunder and,

if the claim is not discharged in full in any such proceeding, or assignment, it will survive any discharge of the Corporation under any such proceeding or assignment. The present actuarial value of the Accrued Supplemental Benefit shall be calculated on the basis of the 1976-80 GAM Mortality Table and an interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S. Treasury issue as reported as of the business day on which the valuation is performed as published in the Midwest edition of the WALL STREET JOURNAL. If the valuation is not performed on a business day, the immediately preceding business day report shall be used for the purposes of determining the interest rate to be used in the valuation.

- (e) In the event of the application of subsection (d) above, a representative of the affected surviving Spouses, Minor Children and Active and Retired Participants (collectively) shall be appointed to pursue their respective claims against the Corporation.

5.2

Plan Administration

The Corporation shall be the "Administrator" of the Plan within the meaning of the Employee Retirement Income Security Act of 1974 and shall have the exclusive right to interpret the Plan. The decisions, actions and records of the Corporation shall be conclusive and binding upon the Corporation, the Corporate Group, and all persons having or claiming to have any right or interest in or under the Plan.

SECTION SIX

Amendment and Termination

6.1 Amendment of the Plan

The Plan may be wholly or partially amended or otherwise modified at any time by the Board of Directors.

6.2 Termination of the Plan

The Plan may be terminated at any time by the Board of Directors.

6.3 No Impairment Benefits

Notwithstanding the provisions of Sections 6.1 and 6.2, no amendment or termination of the Plan shall impair the rights to benefits hereunder for surviving Spouses or Minor Children or Active Participants in receipt of (or entitled to) benefits at the date of amendment or termination and the rights to benefits with respect to those who are Retired Participants at the date of such amendment or termination.

BORDEN, INC.

EXECUTIVES EXCESS BENEFITS PLAN

Amended and Restated as of January 1, 1988

As amended through December 9, 1993

FOREWORD

Effective as of January 1, 1976, Borden, Inc. adopted the Borden, Inc. Executives Excess Benefits Plan (the "Plan") for the benefit of certain of its executives. The Plan has been amended from time to time thereafter.

Effective as of January 1, 1988 the Plan has been further amended, and has been restated as set forth herein.

It is intended that the Plan be an "excess benefits plan" as that term is defined in Section 3(36) of the Employee Retirement Income Security Act of 1974.

The purpose of the Plan is to (a) provide retired participants and their joint annuitants and beneficiaries under the Borden, Inc. Employees Retirement Income Plan ("Borden ERIP") and the Borden, Inc. Retirement Savings Plan ("Borden RSP") with the amount of company-provided benefits that are not provided under the Borden ERIP and/or Borden RSP because such amounts exceed the limitations imposed by Section 415 of the Internal Revenue Code, and (b) effective May 1, 1986 through December 31, 1987, provide for elective salary deferrals by participants in the Borden RSP who are in the Core Management Group and whose tax deferrals under the Borden RSP are limited by reason of limitations imposed by Section 415 of the Internal Revenue Code.

Except to the extent otherwise indicated, and except to the extent otherwise inappropriate, the Borden ERIP and the Borden RSP and the provisions thereof are hereby incorporated by reference.

SECTION ONE

Definitions

- 1.1 Except to the extent otherwise indicated herein, and except to the extent otherwise inappropriate in the context, the definitions contained in Section A1 of the Borden ERIP and Section I of the Borden RSP are applicable under the Plan.
- 1.2 "Accrued ERIP Benefit" means the amount of retirement income payable to or with respect to a participant on termination of employment, or earlier date requiring payment under this Plan, under the Borden ERIP.
- 1.3 "Accrued Excess Benefit" means the excess, if any, of (i) the retirement income payable to or with respect to a participant under the Borden ERIP which would have been accrued by the participant had the limitation on benefits imposed by Section C9 of the Borden ERIP not been applicable over (ii) the participant's Accrued ERIP Benefit.
- 1.4 "Board of Directors" means the Board of Directors of the Corporation.
- 1.5 "Borden ERIP" means the Borden, Inc. Employees Retirement Income Plan.
- 1.6 "Borden RSP" means the Borden, Inc. Retirement Savings Plan.
- 1.7 "Core Management Group" means individuals employed by the Corporation or a subsidiary thereof in a key executive or managerial position who are designated as members of the Core Management Group of the Corporation by the Chief Executive Officer.
- 1.8 "Corporation" means Borden, Inc. and any successor to such corporation by merger, purchase or otherwise.
- 1.9 "Plan" means the Borden, Inc. Executives Excess Benefits Plan as from time to time in effect.

SECTION TWO
Participation

Participation in the Plan shall be limited to:

- (a) those participants in the Borden ERIP and their joint annuitants and beneficiaries who, as a result of the limits on benefits that may be paid under the Borden ERIP (Section C9) by reason of Section 415 of the Internal Revenue Code, receive or will receive a lesser amount of retirement income under the Borden ERIP than otherwise would be paid or payable in the absence of such limitations,
- (b) those participants and their beneficiaries in the Borden RSP who, as a result of the limits on amounts that may be contributed under the Borden RSP (Section 4.3) by reason of Section 415 of the Internal Revenue Code, receive a smaller matching Employer contribution under the Borden RSP with respect to their actual contributions thereunder than otherwise would be paid or payable in the absence of such limitation, and
- (c) those participants in the Borden RSP who are members of the Core Management Group and who made salary deferral elections for calendar years before 1988 for amounts which would have been Tax Deferred Contributions under Section 3.2 of the Borden RSP but for the limitations imposed by Section 4.3 of the Borden RSP by reason of Section 415 of the Internal Revenue Code, and the beneficiaries of such participants.

SECTION THREE

Amount of Excess Benefits and Excess Contributions

3.1 Excess Benefits

The aggregate amount, if any, of retirement income payable under the Borden ERIP to a participant therein, or to his or her joint annuitant or beneficiary, which is not paid under the Borden ERIP on account of the limitations on benefits imposed by Section C9 of the Borden ERIP, shall be termed an "Excess Benefit" and shall be paid directly to such participant, or to his or her joint annuitant or beneficiary, as applicable, from the general assets of the Corporation in accordance with Section 3.3.

3.2 Excess Contributions

(a) Excess Company Contributions Account

The aggregate amount, if any, of matching Employer contributions which would have been contributed with respect to a participant pursuant to Section 4.1 of the Borden RSP on account of the participant's actual contributions thereto but for the limitation imposed by Section 4.3 of the Borden RSP, together with "deemed earnings" on such contributions, shall be termed Excess Company Contributions and shall be paid to the participant or his or her beneficiary, as applicable, from the general assets of the Corporation in accordance with Section 3.3. "Deemed earnings" for Excess Company Contributions shall be earnings at the rate of investment return on Fund A under the Borden RSP. A bookkeeping account ("Excess Company Contributions Account") shall be maintained for each affected participant to record the amount of such Excess Company Contributions.

(b) Excess Salary Deferrals Account

The aggregate of the amounts, if any, of salary deferral elected by a participant in the RSP who is a member of the Core Management Group pursuant to a salary reduction agreement or agreements for amounts which would otherwise have been Tax Deferred Contributions on the participant's behalf pursuant to Section 3.2 of the Borden RSP for calendar years before 1988 but for the limitation imposed by Section 4.3 of the Borden RSP, together with "deemed earnings" on such amounts, shall be termed Excess Salary Deferrals and shall be paid to the participant or his or her beneficiary, as applicable, from the

general assets of the Corporation in accordance with Section 3.3. "Deemed earnings" for Excess Salary Deferrals shall be earnings at the rate of investment return on Fund A under the Borden RSP. A bookkeeping account ("Excess Salary Deferrals Account") shall be maintained for each affected participant to record the amount of such Excess Salary Deferrals.

(c) Excess Contributions Account

The term Excess Contributions Account shall mean the sum of a participant's Excess Company Contributions Account, if any, and that participant's Salary Deferrals Account, if any.

3.3

General Provisions

-
- (a) The Corporation shall make no provision for the funding of any Excess Benefits or Excess Contributions Accounts payable hereunder that (i) would cause the Plan to be a funded plan for purposes of section 404(a)(5) of the Internal Revenue Code of 1986, as amended ("Code"), or Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") or (ii) would cause the Plan to be other than an "unfunded and unsecured promise to pay money or other property in the future" under Treasury Regulations section 1.83-3(e); and shall have no obligation to make any arrangement for the accumulation of funds to pay any amounts under this Plan. Subject to the restrictions of the preceding sentence and paragraph (c) below, the Corporation, in its sole discretion, may establish a grantor trust described in Treasury Regulations sections 1.677(a)-1(d) to accumulate funds to pay amounts under this Plan, provided that the assets of the trust shall be required to be used to satisfy the claims of the Corporation's general creditors in the event of the Corporation's bankruptcy or insolvency.
- (b) In the event that the Corporation shall decide to establish an advance accrual reserve on its books against the future expense of Accrued Excess Benefit payments or Excess Contributions Accounts, such reserve shall not under any circumstances be deemed to be an asset of this Plan but, at all times, shall remain a part of the general assets of the Corporation, subject to claims of the Corporation's creditors.
- (c) A person entitled to any amount under this Plan shall be a general unsecured creditor of the Corporation with respect to such amount. Furthermore:
- (i) Subject to the provisions of subsections (e), (f), (g) and (h)

below, a person entitled to an Accrued Excess Benefit shall have a claim upon the Corporation only to the extent of the monthly payments thereof, if any, due up to and including the then current month and shall not have a claim against the Corporation for any subsequent monthly payment unless and until such payment shall become due and payable; and

- (ii) Subject to the provisions of subsections (e), (f) and (h) below, a person entitled to Excess Contributions shall have a claim upon the Corporation only to the extent of the Excess Contributions Account, and the amount of such Account shall be paid to the participant or beneficiary in the same manner as the distribution of the participant's accounts under the Borden RSP.
- (d) In the event that the Borden ERIP shall be terminated in accordance with Section C6 thereof, Accrued Excess Benefits shall continue to be paid directly by the Corporation but only to the same extent and for the same duration as that part of the payee's benefit from the Pension Fund of the Borden ERIP, which is directly related to such Accrued Excess Benefit, is continued to be provided by the assets of the Pension Fund of the Borden ERIP; but such continued payment of Accrued Excess Benefit shall still be subject to the conditions specified in subsections (a), (b) and (c) above.

In the event that the Borden RSP shall be terminated in accordance with Section 13 thereof, Excess Contributions Accounts shall be paid directly by the Corporation in the same manner as the distribution of the participant's accounts under the Borden RSP.

- (e) Notwithstanding any other provision hereof, there shall become immediately due and payable to or with respect to a participant a lump sum equal to the Excess Contributions Account plus the present actuarial value (determined as hereinafter provided) of the participant's Accrued Excess Benefit if: (i) the Corporation refuses to make any payments due hereunder to any participant, unless refusal to make payment to a particular participant is based on facts and circumstances with respect to such participant which reasonably justifies such refusal, based on the participant engaging in conduct harmful to the interest of the Corporation; (ii) the Corporation makes a general assignment for the benefit of creditors; (iii) any proceedings under the Bankruptcy Act are instituted by the Corporation, or if instituted against the Corporation, is consented to or acquiesced in by it or remains undismissed for 60 days; or (iv) a receiver or trustee in

bankruptcy is appointed for the Corporation. In addition, in the event of any such proceeding by or against the Corporation under the Bankruptcy Act, or any such assignment, a participant or his or her joint annuitant or beneficiary shall be entitled to prove a claim for any unpaid portion of the benefit provided hereunder and, if the claim is not discharged in full in any such proceeding, or assignment, it will survive any discharge of the Corporation under any such proceeding or assignment. The present actuarial value of the Accrued Supplemental Benefit shall be calculated on the basis of the 1976-80 Basic GAM Mortality Table and an interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S Treasury issue as reported as of the business day on which the valuation is performed as published in the Midwest edition of the Wall Street Journal. If the valuation is not performed on a business day, the immediately preceding business day report shall be used for the purposes of determining the interest rate to be used in the valuation.

- (f) In the event of the application of subsection (e) above, the affected participants (or, in the case of deceased participants, their joint annuitants and beneficiaries) (the "Claimants") shall appoint a single representative to pursue their respective claims against the Corporation. Such representative shall be a person or entity selected by, or agreed upon, by Claimants with unpaid benefits under the Plan equal to more than fifty percent (50%) of the total amount of unpaid benefits under the Plan.
- (g) A participant's Accrued Excess Benefit shall be paid to the participant in the same form and at the same time as the participant's Accrued ERIP Benefit.
- (h) The participant's beneficiary or joint annuitant under this Plan with respect to his or her Accrued Excess Benefit shall be the person who is entitled to benefit payments under the Borden ERIP on account of the death of the participant.
- The participant's beneficiary under this Plan with respect to his or her Excess Contributions Account shall be the person who is entitled to benefit payments under the Borden RSP on account of the death of the participant.
- (i) A participant's benefit in the Plan shall be vested to the same extent that his or her corresponding benefit under the Borden ERIP or Borden RSP is vested. The minimum benefit under the Plan shall equal the value of the vested accrued benefit as of December 31, 1993.

SECTION FOUR

Administration

4.1 Plan Administrator

The Corporation shall be the "administrator" of the Plan within the meaning of ERISA.

4.2 Pension Committee

Subject to the provisions of Section 4.1, the Pension Committee of the Board of Directors shall be vested with the general administration of the Plan. The Pension Committee shall have the exclusive right to interpret the Plan. The decisions, actions and records of the Pension Committee shall be conclusive and binding upon the Corporation and all persons having or claiming to have any right or interest in or under the Plan.

The Pension Committee may delegate to such officers, employees or departments of the Corporation such authority, duties, and responsibilities of the Pension Committee as it, in its sole discretion, considers necessary or appropriate for the proper and efficient operation of the Plan, including, without limitation, (i) interpretation of the Plan, (ii) approval and payment of claims, and (iii) establishment of procedures for administration of the Plan.

SECTION FIVE

Amendment and Termination

5.1 Amendment of the Plan

Subject to the provisions of Section 5.3, the Plan may be wholly or partially amended or otherwise modified at any time by the Board of Directors.

5.2 Termination of the Plan

Subject to the provisions of Section 5.3, the Plan may be terminated at any time by the Board of Directors.

5.3 No Impairment of benefits

Notwithstanding the provisions of Sections 5.1 and 5.2, no amendment to or termination of the Plan shall impair any rights to benefits which have accrued hereunder.

SPECIAL RETIREMENT WINDOW PROGRAM

The Borden, Inc. Special Retirement Window Program (SRWP) is a non-qualified plan that has been designed and adopted to provide special benefits for certain employees who have elected to retire under the Borden, Inc. Employees Retirement Income Plan (ERIP) as of November 1, 1985. Such special benefits and those employees to whom they will be paid are as specified on the schedule and copies of employee communications attached hereto.

The SRWP is designed to operate in conjunction with the ERIP and, in connection with the adoption of the SRWP, the ERIP was amended to provide special provisions applicable to those employees who elected to retire under the SRWP.

3.3 General Provisions

-
- (a) The Corporation shall make no provision for the funding of any Excess Benefits or Excess Contributions Accounts payable hereunder that (i) would cause the Plan to be a funded plan for purposes of section 404(a)(5) of the Internal Revenue Code of 1986, as amended ("Code"), or Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") or (ii) would cause the Plan to be other than an "unfunded and unsecured promise to pay money or other property in the future" under Treasury Regulations section 1.83-3(e); and shall have no obligation to make any arrangement for the accumulation of funds to pay any amounts under this Plan. Subject to the restrictions of the preceding sentence and paragraph (c) below, the Corporation, in its sole discretion, may establish a grantor trust described in Treasury Regulations sections 1.677(a)-1(d) to accumulate funds to pay amounts under this Plan, provided that the assets of the trust shall be required to be used to satisfy the claims of the Corporation's general creditors in the event of the Corporation's bankruptcy or insolvency.
 - (c) A person entitled to any amount under this Plan shall be a general unsecured creditor of the Corporation with respect to such amount. Furthermore:
 - (i) Subject to the provisions of subsections (e), (f), (g) and (h) below, a person entitled to an Accrued Excess Benefit shall have a claim upon the Corporation only to the extent of the monthly payments thereof, if any, due up to and including the then current month and shall not have a claim against the Corporation for any subsequent monthly payment unless and

until such payment shall become due and payable; and

- (ii) Subject to the provisions of subsections (e), (f) and (h) below, a person entitled to Excess Contributions shall have a claim upon the Corporation only to the extent of the Excess Contributions Account, and the amount of such Account shall be paid to the participant or beneficiary in the same manner as the distribution of the participant's accounts under the Borden RSP.

Schedule 1

WHEREAS, Richard Walrack was employed in the Corporate Group as a result of the acquisition of the Meadow Gold Dairies from the Beatrice Companies on December 16, 1986; and

WHEREAS, Mr. Walrack also had a continuing employment consulting agreement with the Beatrice Company dated June 26, 1984, which continued from December 16, 1986 through August 31, 1989; and

WHEREAS, Mr. Walrack also had another employment agreement dated December 3, 1985 with Beatrice U.S. Foods (Foods) which guaranteed that his re-employment in the Dairy Unit of Foods would not affect his status under the 1984 agreement; and

WHEREAS, Beatrice, in connection with the acquisition of Meadow Gold Dairies, did not disclose to Borden the existence of either of the above described agreements and transferred to the Company's pension plan an amount woefully inadequate to fund Mr. Walrack's pension; and

WHEREAS, Mr. Walrack has asserted through legal action pension rights from Beatrice:

NOW, THEREFORE, Mr. Richard Walrack is excluded as a Participant of this Plan for any and all purposes.

BORDEN, INC.

EXECUTIVES SUPPLEMENTAL PENSION PLAN

Amended and Restated as of December 9, 1993

FOREWORD

Effective as of January 30, 1973, Borden, Inc. adopted the Borden, Inc. Executives Supplemental Pension Plan (the "Plan") for the benefit of certain of its executives. The Plan has been amended from time to time thereafter.

Effective as of January 1, 1988, January 1, 1989 and December 9, 1993 the Plan has been further amended, and has been restated herein.

The purposes of the Plan as amended and restated January 1, 1988 are (a) to provide retired participants and their joint annuitants and beneficiaries under the Borden, Inc. Employees Retirement Income Plan ("Borden ERIP") with the amount of retirement income that is not provided under the Borden ERIP by reason of the participant having been granted a deferred award under the Management Incentive Plan and having elected to defer compensation under this Plan, (b) to permit Executive Employees' and certain other managerial employees to elect to have payment of a portion of current compensation deferred until a later year and to provide a "matching credit" with respect to all or a portion of such deferred compensation, and (c) to provide retired participants and their joint annuitants and beneficiaries under the Borden ERIP with the amount of retirement income that is not provided under the Borden ERIP by reason of the limit on recognized compensation required by Section 401(a)(17) of the Internal Revenue Code.

It is intended that the Plan be a deferred compensation plan for "a select group of management or highly compensated employees," as that term is used in the Employee Retirement Income Security Act of 1974.

Except to the extent otherwise indicated, and except to the extent otherwise inappropriate, the Borden ERIP and the Borden RSP, and the provisions thereof, hereby are incorporated by reference.

SECTION ONE

Definitions

- 1.1 Except to the extent otherwise indicated herein, and except to the extent otherwise inappropriate in the context, the definitions contained in Section A1 of the Borden ERIP are applicable under the Plan.
- 1.2 "Accrued Regular Benefit" means the amount of retirement income payable to or with respect to a participant on termination of employment, or earlier date requiring payment under this Plan, under the ERIP and Borden Excess Benefits Plan.
- 1.3 "Accrued Supplemental Benefit" means the excess, if any, of (i) the retirement income payable to or with respect to a participant under the Borden ERIP and Borden Excess Benefits Plan (to the extent applicable) which would have been accrued by the participant had the amount of deferred awards under the Management Incentive Plan, Deferred Compensation, and Excluded Compensation been recognized as "Compensation" under the Borden ERIP over (ii) the participant's Accrued Regular Benefit.
- 1.4 "Board of Directors" means the Board of Directors of the Corporation.
- 1.5 "Borden Excess Benefits Plan" means the Borden, Inc. Excess Benefits Plan.
- 1.6 "Borden ERIP" means the Borden, Inc. Employees Retirement Income Plan.
- 1.7 "Borden RSP" means the Borden, Inc. Retirement Savings Plan and effective January 1, 1989 the Borden, Inc. Consolidated Retirement Savings and Employee Stock Ownership Plan.
- 1.8 "Corporation" means Borden, Inc. and any successor to such corporation by merger, purchase or otherwise.
- 1.9 "Deferred Compensation" means (i) the amount of an Executive Employee's compensation for a year after 1987 that such Executive Employee has deferred until a later year pursuant to an election under Section 2.2 of this Plan, and/or (ii) the amount of an Executive Employee's Elective Salary Deferral for the 1987 calendar year, and/or (iii) the amount of Excluded Compensation deferred by a Highly Paid Executive under Section 2.2 of this Plan.

- 1.10 "Elective Salary Deferral" means the amount of salary deferral elected by an Executive Employee pursuant to a salary reduction agreement for 1987 for amounts which would otherwise have been Tax Deferred Contributions pursuant to Section 3.2 of the Borden RSP but for the \$7,000 limit in such Section.
- 1.11 "Excluded Compensation" means that part of total compensation paid to a Highly Paid Executive earned from the Corporation which (i) if the year is 1989, exceeds \$200,000 or (ii) if the year is subsequent to 1989, exceeds the dollar limit for such year under Section 401(a)(17) of the Internal Revenue Code of 1986 as from time to time amended.
- 1.12 "Executive Employee" means an individual employed by the Corporation or a subsidiary thereof in a key executive or managerial position and who is in the group designated by the Chief Executive Officer as the ROSE group.
- 1.13 "Highly Paid Executive" means an individual employed by the Corporation or a subsidiary thereof in a key executive or managerial position who during the calendar year is not an Executive Employee but earns Excluded Compensation.
- 1.14 "New Executive" means an individual employed by the Corporation or a subsidiary thereof in a key executive or managerial position designated by the Chief Executive Officer of the Corporation for participation in the benefit described in Section 3.3.
- 1.15 "Management Incentive Plan" means the Borden, Inc. Management Incentive Plan and any other executive incentive plan that provides for deferred awards, other than the Long-Term Performance Improvement Program.
- 1.16 "Pension Committee" means the Pension Committee of the Board of Directors.
- 1.17 "Plan" means the Borden, Inc. Executives Supplemental Pension Plan as from time to time in effect.

SECTION TWO

Participation

2.1 Eligibility to Participate

Participation in the Plan shall be limited to:

- (a) those participants in the Borden ERIP and their joint annuitants and beneficiaries who as a result of the participant having been granted a deferred award under the Management Incentive Plan or having elected Deferred Compensation receive, or will receive, a lesser amount of retirement income under the Borden ERIP than otherwise would be paid or payable in the absence of such deferrals;
- (b) those Executive Employees who elect Deferred Compensation;
- (c) those Highly Paid Executives who elect Deferred Compensation;
- (d) those participants in the Borden ERIP who have Excluded Compensation, and their joint annuitants and beneficiaries; and
- (e) New Executives.

2.2 Election of Deferred Compensation

Elections of Deferred Compensation shall be made only by Executive Employees or Highly Paid Executives and shall be on forms furnished by the Pension Committee. A Deferred Compensation election shall apply only to compensation (as defined below) for the particular year specified in the election, and (i) for Executive Employees shall specify the percentage of such compensation to be deferred under the election, which percentage may be any whole percentage that is not greater than twenty-five percent (25%) and (ii) for Highly Paid Executive shall be the "Matchable Portion" as defined in the Borden RSP of Excluded Compensation. For purposes of the preceding sentence, the term "compensation" means the total earned income that would be currently payable to the participant but for his or her Deferred Compensation election hereunder, and shall include Tax Deferred Contributions under the Borden RSP, salary reduction Employer Contributions under the Borden, Inc. Flexible Benefits Plan and incentive bonuses earned under the corporate management incentive compensation programs which are paid in the first year in which such bonuses are payable, but shall exclude incentive bonuses earned under the Long Term Incentive Payment Plan. A Deferred Compensation election with respect to compensation for a

particular calendar year (i) must be made before January 1 of such calendar year, (ii) for Executive Employees, must specify (from the available alternatives) the date such Deferred Compensation is to be paid (or commence to be paid) and the number of annual installments (not to exceed 10) in which such Deferred Compensation is to be paid, and (iii) once made, cannot be changed or revoked. Deferred Compensation for Highly Paid Executives is payable only as a lump sum after termination of employment. Subject to such conditions regarding continued employment as may be imposed by the Corporation, Executive Employees, during the month of December 1992, may change any prior election in respect of the date Deferred Compensation is to be paid (or commence to be paid) and the number of annual installments (not to exceed 10) in which such Deferred Compensation is to be paid. Once made, such election shall be irrevocable.

A separate subaccount shall be maintained under the participant's "Participant Deferred Account" (see Section 3.3(b)) with respect to Deferred Compensation for each calendar year for which the participant makes a Deferred Compensation election.

SECTION THREE
-----Amount of Supplemental Benefits and Supplemental Contributions
-----3.1 Supplemental Benefits

The aggregate amount, if any, of retirement income payable under the Borden ERIP to a participant therein, or to his or her joint annuitant or beneficiary, which is not paid under the Borden ERIP as a result of the fact that the amount of deferred awards under the Management Incentive Plan, Deferred Compensation, and Excluded Compensation are not recognized as "Compensation" under the Borden ERIP, shall be termed a "Supplemental Benefit" and shall be paid directly to such participant, or to his or her joint annuitant or beneficiary, as applicable, from the general assets of the Corporation in accordance with Section 3.4.

3.2 Grandfather Benefit

- (a) The amount described below in Section 3.2(b) less the amount payable under the Borden ERIP shall be termed a "Grandfather Benefit". Participants who are Executive Employees designated as members of the Corporation's Core Management Group on July 1, 1992, who have attained age 55, whose combined age and years of service at termination of employment (in years and completed months) with the Corporation equal or exceed 85 and who do not qualify for a benefit under Section A3.7 of the Borden ERIP are eligible for this Grandfather Benefit. Executive Employees who are designated as members of the Corporation's Core Management Group after July 1, 1992 who otherwise would be eligible for this benefit shall only be so when such eligibility is authorized in writing by the Chief Executive Officer of the Corporation. Executive Employees not terminated "for cause" as defined in their Core Arrangement who are otherwise eligible for this benefit but whose combined age and years of service at Termination is less than 85 shall be eligible for this benefit if such combined age and years of service (in years and completed months) at Termination equal or exceed 80. The combination of age and service which equal or exceed 80 shall be determined at the end of the calendar year of the termination as if the employee were actively employed throughout the year in which the termination occurred. The Grandfather Benefit shall be paid directly to such participant, or to his or her joint annuitant or beneficiary, as applicable, from the general assets of the Corporation in accordance with Section 3.4.

(b) The amount is as follows:

- (i) For service under the Borden ERIP prior to January 1, 1988, one and one-half percent (1.5%) of the portion of the Employee's Average Final Compensation in excess of the estimated age 65 Social Security Benefit in effect on January 1, 1988 multiplied by the years and months of credited Service (as defined in the Borden ERIP) completed as of December 31, 1987; plus
- (ii) For service under the Borden ERIP after December 31, 1987 through December 31, 1996, one percent (1%) of each year's earnings up to that year's taxable Social Security Wage Base plus one and one-half percent (1.5%) of each year's earning in excess of that year's taxable Social Security Wage Base.

"Average Final Compensation" is the average of the participant's highest five consecutive years of earnings with the Corporation during the participant's last ten (10) calendar years of employment with the Corporation prior to January 1, 1988. For this purpose, any incentive bonuses which are included in Compensation shall be averaged separately from the balances of such Compensation.

3.3

Supplemental Contributions

(a) Supplemental Company Contributions

The excess, if any, of (i) the amount of matching Employer contributions which would have been made on behalf of a participant pursuant to Section 4.1 of the Borden RSP had the participant's Deferred Compensation been contributed by the participant to the Borden RSP over (ii) the amount of matching Employer contributions actually made on behalf of the participant to the Borden RSP, together with "deemed earnings" on such excess, shall be termed "Supplemental Company Contributions" and shall be paid to the participant or his or her beneficiary, as applicable, from the general assets of the Corporation in accordance with Section 3.4. For all plan years after 1988, the Supplemental Company Contributions shall be in the form of cash and common shares of the Corporation in the same proportion as matching employer contributions are made to Fund A and D, respectively, under the Borden RSP provided, however, that for plan years after 1991 for officers of the Corporation subject to the reporting and holding requirements of Section 16 of the Securities and Exchange

Commission Act such contributions shall be in the form of cash. "Deemed earnings" for Supplemental Company Contributions for cash and common stock shall be earnings at the rate of investment return during the comparable period of time for Fund A (cash) and Fund D (stock), respectively, under the Borden RSP. A bookkeeping account ("Supplemental Company Contributions Account") shall be maintained for each affected participant to record the amount of such Supplemental Company Contributions.

(b) Deferred Compensation

The aggregate of the amounts of Deferred Compensation and "deemed earnings" on such amounts (referred to as "Deferred Amounts") shall be paid to the participant or his or her beneficiary, as applicable, from the general assets of the Corporation in accordance with Section 3.3. "Deemed earnings" with respect to Deferred Compensation shall be earnings at the rate of investment return on Fund A under the Borden RSP. A bookkeeping account ("Participant Deferred Account") shall be maintained for each affected participant to record the amount of such Deferred Compensation and deemed earnings thereon.

(c) Supplemental Match

The excess, if any, of (i) the amount of Matching Employer Contributions which would have been made on behalf of a participant who is a New Executive pursuant to Section 4.1 of the Borden RSP had the participant had more than twelve months of service with the Corporation over (ii) the amount of Matching Employer Contributions actually made on behalf of the participant to the Borden RSP, together with "deemed earnings" on such excess, shall be termed "Supplemental Match" and shall be paid to the participant or his or her beneficiary, as applicable, from the general assets of the Corporation in accordance with Section 3.3. For all plan years after 1988, the Supplemental Match shall be in the form of cash and common shares of the Corporation in the same proportion as matching employer contributions are made to Fund A and D, respectively, under the Borden RSP provided, however, that for plan years after 1991 for officers of the Corporation subject to the reporting and holding requirements of Section 16 of the Securities and Exchange Commission Act such contributions shall be in the form of cash. "Deemed earnings" for Supplemental Match for cash and common stock shall be earnings at the rate of investment return during the comparable period of time for Fund A (cash) and Fund D (stock), respectively, under the Borden RSP. A bookkeeping account ("Supplemental Match

Account") shall be maintained for each affected participant to record the amount of such Supplemental Match.

3.4 General Provisions

- (a) The Corporation shall make no provision for the funding of any Supplemental Benefits, Grandfather Benefits, Supplemental Company Contributions Accounts, Supplemental Match Accounts or Participant Deferred Accounts payable hereunder that (i) would cause the Plan to be a funded plan for purposes of section 404(a)(5) of the Internal Revenue Code of 1986, as amended, or Title I of the Employee Retirement Income Security Act of 1974, as amended, or (ii) would cause the Plan to be other than an "unfunded and unsecured promise to pay money or other property in the future" under Treasury Regulations section 1.83-3(e); and shall have no obligation to make any arrangement for the accumulation of funds to pay any amounts under this Plan. Subject to the restrictions of the preceding sentence, the Corporation, in its sole discretion, may establish a grantor trust described in Treasury Regulations sections 1.677(a)-1(d) to accumulate funds to pay amounts under this Plan, provided that the assets of the trust shall be required to be used to satisfy the claims of the Corporation's general creditors in the event of the Corporation's bankruptcy or insolvency.
- (b) In the event that the Corporation shall decide to establish an advance accrual reserve on its books against the future expense of paying Supplemental Benefits, Grandfather Benefits, Supplemental Company Contributions Accounts, Supplemental Match Accounts or Participant Deferred Accounts, such reserve shall not under any circumstances be deemed to be an asset of this Plan but, at all times, shall remain a part of the general assets of the Corporation, subject to claims of the Corporation's creditors.
- (c) A person entitled to any amount under this Plan shall be a general unsecured creditor of the Corporation with respect to such amount. Furthermore:
- (i) Subject to the provisions of subsections (e), (f), (g) and (h) below, a person entitled to a Supplemental Benefit or Grandfather Benefit shall have a claim upon the Corporation only to the extent of the monthly payments thereof, if any, due up to and including the then current month and shall not have

a claim against the Corporation for any subsequent monthly payment unless and until such payment shall become due and payable;

- (ii) Subject to the provisions of subsections (e), (f) and (h) below, a person entitled to Supplemental Company Contributions shall have a claim upon the Corporation only to the extent of the Supplemental Company Contributions Account, and the amount of such Account shall be paid to the participant or beneficiary in the same manner and at the same time as the distribution of the participant's accounts under the Borden RSP;
- (iii) Subject to the provisions of subsections (e), (f) and (h) below, a person entitled to Deferred Amounts shall have a claim upon the Corporation only to the extent of the Participant Deferred Account and the amount of such Account shall be paid to the participant or beneficiary in accordance with the terms of the participant's Deferred Compensation election or elections under Section 2.2; and
- (iv) Subject to the provisions of subsections (e), (f) and (h) below, a person entitled to Supplemental Match shall have a claim upon the Corporation only to the extent of the Supplemental Match Account, and the amount of such Account shall be paid to the participant or his or her beneficiary, as applicable, in the same manner and at the same time as the distribution of the participant's accounts under the Borden RSP.

- (d) In the event that the Borden ERIP shall be terminated in accordance with Section C6 thereof, Supplemental Benefits and Grandfather Benefits shall continue to be paid directly by the Corporation but only to the same extent and for the same duration as that part of the payee's benefit from the Pension Fund of the Borden ERIP, which is directly related to such Supplemental Benefit or Grandfather Benefit, is continued to be provided by the assets of the Pension Fund of the Borden ERIP; but such continued payment of Supplemental Benefits or Grandfather Benefits shall still be subject to the conditions specified in subsections (a), (b) and (c) above.

In the event that the Borden RSP shall be terminated in accordance with Section 13 thereof, Supplemental Company Contributions Accounts shall be paid directly by the Corporation in the same manner as the distribution of the participant's accounts under the Borden RSP.

(e) Notwithstanding any other provision hereof, there shall become immediately due and payable to or with respect to a participant a lump sum equal to the Supplemental Company Contributions Account plus the Supplemental Match Account plus the Participant Deferred Account plus the present actuarial value (determined as hereinafter provided) of the participant's Accrued Supplemental Benefit and Grandfather Benefit if: (i) the Corporation refuses to make any payments due hereunder to any participant, unless refusal to make payment to a particular participant is based on facts and circumstances with respect to such participant which reasonably justifies such refusal, based on the participant engaging in conduct harmful to the interests of the Corporation; (ii) the Corporation makes a general assignment for the benefit of creditors; (iii) any proceedings under the Bankruptcy Act are instituted by the Corporation or, if instituted against the Corporation, is consented to or acquiesced in by it or remains undismissed for 60 days; or (iv) a receiver or trustee in bankruptcy is appointed for the Corporation. In addition, in the event of any such proceeding by or against the Corporation under the Bankruptcy Act, or any such assignment, a participant or his or her joint annuitant or beneficiary shall be entitled to prove a claim for any unpaid portion of the benefit provided hereunder and, if the claim is not discharged in full in any such proceeding, or assignment, it will survive any discharge of the Corporation under any such proceeding or assignment. The present actuarial value of the Accrued Supplemental Benefit and Grandfather Benefit shall be calculated on the basis of the 1976-80 GAM Mortality Table and an interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S. Treasury issue as reported as of the business day on which the valuation is performed as published in the Midwest edition of the WALL STREET JOURNAL. If the valuation is not performed on a business day, the immediately preceding business day report shall be used for the purposes of determining the interest rate to be used in the valuation.

(f) In the event of the application of subsection (e) above, the affected participants (or, in the case of deceased participants, their joint annuitants and beneficiaries) (the "Claimants") shall appoint a single representative to pursue their respective claims against the Corporation. Such representative shall be a person or entity selected by, or agreed upon, by Claimants with unpaid benefits under the Plan equal to more than fifty percent (50%) of the total amount of unpaid benefits under the Plan.

- (g) A participant's Supplemental Benefit and Grandfather Benefit shall be paid to the participant in the same form and at the same time as the participant's Accrued Regular Benefit.
- (h) The participant's beneficiary under this Plan with respect to his or her Participant Deferred Account shall be the person or persons designated as beneficiary by the participant by filing with the Pension Committee a written beneficiary designation on a form provided by, or acceptable to, such Pension Committee. In the event the participant does not make an effective designation of a beneficiary with respect to his or her Participant Deferred Account, the participant's beneficiary with respect to his or her Participant Deferred Account shall be the beneficiary of such participant's beneficiary under the Borden RSP.
- The participant's beneficiary or joint annuitant under this Plan with respect to his or her Supplemental Benefit shall be the person who is entitled to benefit payments under the Borden ERIP on account of the death of the participant.
- The participant's beneficiary under this Plan with respect to his or her Supplemental Company Contributions Account and Supplemental Match Account shall be the person who is entitled to benefit payments under the Borden RSP on account of the death of the participant.
- (i) Wherever in this Section Three reference is made to "Supplemental Benefits" or "Accrued Supplemental Benefits" such terms shall be deemed to include any special supplemental benefits payable pursuant to Appendix A.
- (j) If the amount credited to the Participant's Deferred Account is \$10,000 or less at the time he or she retires or otherwise terminates employment, then the Participant shall be paid, as soon as practicable after termination of employment, an amount equal to the amount in the Participant's Deferred Account as of his or her termination of employment.
- (k) A participant's benefit in the Plan shall be vested to the same extent that his or her corresponding benefit under the Borden ERIP or Borden RSP is vested. The minimum benefit under the Plan shall equal the value of the vested accrued benefit as of December 31, 1993.

Benefits payable after termination of active employment to the following executives under written employment agreements dated as indicated:

- Anthony S. D'Amato
December 3, 1990 as amended September 24, 1991,
June 22, 1993 and September 30, 1993.
- Ervin R. Shames, June 24, 1993
- Robert Allen, August 24, 1993
- George Morris, August 25, 1993

APPENDIX B

Special Supplemental Benefits
for Named Individuals

With regard to the individuals named below, certain benefits which cannot be provided under the Borden ERIP are hereinafter provided under the Plan.

1. R.J. Ventres

Mr. Ventres' prior period of employment with Borden, from October 9, 1957 to October 10, 1974, resulted in a vested annual benefit, payable at age 65 from the Borden ERIP, of \$10,617.84. The period of such prior service is to be treated, in the circumstances listed below, under the Plan as if it had been contiguous with Mr. Ventres' rehire date of July 9, 1979. Any benefits which would otherwise be payable under the benefit formulas of the Borden ERIP as in effect at Mr. Ventres' date of termination of employment, with respect to such period of prior service, which are in excess of the aforementioned vested annual benefit shall be payable from the Plan in the same manner and form as Mr. Ventres elects with regard to such aforementioned vested annual benefit.

The special treatment of the foregoing paragraph shall apply in case of retirement at or after age 65, involuntary early retirement not due to malfeasance, and death during active employment. The special treatment of the foregoing paragraph shall not be applicable in case of voluntary early retirement, voluntary resignation from the Corporation prior to age 65, or termination by the Corporation due to malfeasance. Circumstances not specifically enumerated shall be treated in a manner consistent with those which are enumerated.

2. If any of the employees listed below, who were covered under the Supreme Ice Cream Supplement to the Meadow Gold Pension Plan, retire or otherwise terminate their employment with vested rights under the Meadow Gold Pension Plan prior to April 1, 1988, or under the Employees Retirement Income Plan after March 31, 1988, and elect the 50% survivor form of benefit, a monthly benefit equal to the reduction applied to the otherwise payable monthly benefit under the aforementioned Plans shall be payable from this Plan, in the same manner and under the same conditions as such 50% survivor benefit under such Plans. If any of the employees listed below elects a form of benefit other than the 50% survivor form, no benefits shall be payable under this Plan.

Employee -----	Social Security # -----	Employee -----	Social Security # -----
Alford, E.J.	###-##-####	Peacock, G.	###-##-####
Forehand, S.	###-##-####	Preston, S.D.	###-##-####
Holman, J.R.	###-##-####	Russell, S.T.	###-##-####
Johnson, H.	###-##-####	Sallas, B.J.	###-##-####
Lincoln, J.	###-##-####	Trotter, L.H.	###-##-####
Mathis, V.	###-##-####	Walker, V.N.	###-##-####
Parrish, H.	###-##-####		

BORDEN, INC.

SUPPLEMENTAL BENEFIT TRUST AGREEMENT

THIS TRUST AGREEMENT, as amended through December 9, 1993, by and between BORDEN, INC., a corporation organized and existing under the laws of the State of New Jersey (the "Corporation") and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association organized and existing under the laws of the United States (the "Trustee").

WITNESSETH:

WHEREAS, the Corporation has established various supplemental benefit plans for the benefit of certain employees of the Corporation; and

WHEREAS, the Corporation desires to establish a trust (the "Trust") under this Trust Agreement to aid it in meeting its obligations under certain of these Plans (such plans being set forth on Exhibits A, B and C hereto as amended from time to time and referred to herein collectively as "Plans" and singly as a "Plan"), and

WHEREAS, the Trust is intended to be a "grantor trust" with the corpus and income thereof treated as assets and income of the Corporation for federal income tax purposes under the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Corporation intends that the existence of the Trust shall not alter the characterization of said Plans as unfunded plans for purposes of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and shall not be construed to provide income to any participant or beneficiary under the Plans prior to actual payment of benefits thereunder;

NOW, THEREFORE, the Corporation and the Trustee agree as follows:

ARTICLE I

Establishment of Trust and Plans

- 1.1 The Corporation hereby establishes the Trust with the Trustee consisting of such sums of money and such property acceptable to the Trustee as from time to time shall be paid or delivered to the Trustee. All such money and property, all investments made therewith and proceeds thereof, less the payments or other distributions which, at the time of reference, shall have been made by the Trustee, as authorized herein, shall be held by the Trustee in trust for the purpose of paying benefits to participants under the Plans, in accordance with the provisions of this Trust Agreement and shall at all times be subject to the claims of general creditors of the Corporation as provided in Article VIII.
- 1.2 The Corporation has heretofore established the Plans listed on Exhibits A, B, and C. The Plans were established in order to provide certain employees, as well as their beneficiaries, with certain forms of compensation and other benefits. Prior to a Change in Control (but not after a Change in Control), the Corporation may, from time to time, add to or delete from the list of Plans on Exhibit A, B, or C that are covered by this Trust Agreement.
- 1.3 Certain Plans of the Corporation are identified in Paragraph 1 of Exhibit B hereto (hereinafter referred to as "Exhibit B Plans") as well as on Exhibits A and C. In the event any stock of the Corporation is contributed to the Trust for the purpose of funding distributions under one or more Exhibit B plans, the provisions set forth in Exhibit B shall (in the event of any conflict) supersede the provisions otherwise set forth in this Trust Agreement. Except to the extent of any such conflict, however, all provisions of this Trust Agreement shall apply to Exhibit B Plans.
- 1.4 The Trust is revocable by the Corporation until such time as a Change in Control occurs, at which time the Trust shall become irrevocable. Prior to the occurrence of a Change in Control, the Corporation reserves the power to alter, amend, revoke, or annul the Trust or this Trust Agreement. After the occurrence of a Change in Control, the Corporation shall not have the power to alter, amend, revoke or annul the Trust or this Trust Agreement. After the occurrence of a Change in Control, (i) the assets of the Trust shall be held for the exclusive purpose of providing benefits to Participants and their beneficiaries under the Plans and defraying expenses of this Trust in accordance with the provisions of this Trust Agreement and (ii) except as provided in Article VII or VIII, no part of the property held in Trust shall be recoverable by or for the Corporation.

1.5 It is intended that the Corporation shall be treated as the owner of the assets of the Trust pursuant to Sections 671-679 of the Internal Revenue Code of 1986, as amended, and the terms of this Trust Agreement shall be so construed. Furthermore, it is intended that distributions from the Trust to a Participant shall be deductible by the Corporation to the same extent, at the same time, and in the same manner as if made directly by the Corporation.

1.6 The Trustee hereby represents that a "Chinese Wall", as that term is commonly understood in the banking community, exists between its trust department and its banking department and accepts the Trust established under this Trust Agreement on the terms and subject to the provisions set forth herein.

ARTICLE II

Definitions

2.1 Unless the context of the Trust Agreement otherwise requires or unless otherwise defined herein, the terms defined in the Plans shall have the same meaning when used herein as the meanings given to those terms in the Plans.

- (a) The term "Benefit" shall mean any benefit payable to a Participant under a Plan.
- (b) The term "Change in Control" shall mean the occurrence of one of the following events:
 - (1) When any "person" (as such term is used in sections 13(d)(3) and 14(d)(2) of the Exchange Act) becomes the "beneficial owner" (as such term is used in Rule 13d-3 under the Exchange Act) of securities of the Corporation representing 20 percent or more of the combined voting power of the Corporation's then outstanding securities; or
 - (2) When there is an election of persons constituting 30 percent or more of the total membership of the Board of Directors who had not been recommended for such election by the immediately preceding Board of Directors or its nominating committee; or
 - (3) When the shareholders of the Corporation approve a merger, consolidation, sale, or disposition of all or substantially all of the assets of the Corporation or a plan of partial or complete liquidation.

- (c) The term "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.
- (d) The term "Exchange Act" shall mean the Securities Exchange Act of 1934.
- (e) The term "Insolvent" shall mean the condition of the Corporation in the event that it either is unable to pay its debts as they come due or is subject to a pending proceeding as a debtor under the federal Bankruptcy Code.
- (f) The term "Participant" shall mean an employee of the Corporation, or any beneficiary of such an employee, who becomes entitled to receive Benefits under a Plan.
- (g) The term "Payment Schedule" shall mean the list of Participants who are eligible for Benefits and the amount of, or the method of calculating such Benefits.
- (h) The term "Required Funding Amount" shall mean the amount determined pursuant to the provisions of Section 3.4 to fund the obligations of the Corporation under the plans.
- (i) The term "Separate Account" shall mean any account established with respect to a Plan in accordance with the provisions of Section 3.3.
- (j) The term "Trust Assets" shall mean all property held by the Trustee pursuant to the terms of this Trust Agreement.
- (k) The term "Trust Fund" shall mean all assets held by the Trustee in accordance with the terms and provisions of this Trust Agreement.
- (l) The term "Valuation Date" shall mean the last business day of each calendar year quarter.

2.2 Where necessary or appropriate to the meaning hereof, the singular shall be deemed to include the plural, the masculine to include the feminine, and the feminine to include the masculine.

ARTICLE III

General Duties of Parties; Contributions and Accounts

- 3.1 The Corporation shall provide the Trustee with a copy of each of the Plans and any amendments to such Plans.
- 3.2 Except as hereinafter provided, the Corporation may make contributions to the Trust from time to time as it shall determine in its sole discretion; provided, however, that the Corporation shall be required to contribute the Required Funding amount as required for those Plans listed in Exhibits A & B as soon as practicable but in any event within 30 days following a Change in Control. If the Corporation fails to contribute the Required Funding Amount upon the occurrence of a Change in Control, the Trustee is empowered (but not required) to bring suit against the Corporation to require specific performance of such obligation to contribute. If the Trustee fails to bring suit within a reasonable period, any Participant may bring suit in the name of the Trustee against the Corporation for such specific performance.
- 3.3 The Trustee shall establish and maintain a Separate Account for each Plan and, if deemed appropriate, separate sub-accounts for each Participant pursuant to directions received from the Corporation which shall be made in accordance with the provisions of each Plan and in a manner consistent with the provisions of Section 3.4. The Trustee shall allocate contributions received from the Corporation among such Separate Accounts and sub-accounts pursuant to directions of the Corporation; provided, however, that if the Corporation makes contributions to the Plans due to a Change in Control, such allocations shall be based upon the calculations made with respect to each Plan for purposes of determining the Required Funding Amount under Section 3.4.
- 3.4 As of each Valuation Date after a Change in Control with respect to which the Corporation contributes the Required Funding Amount, the Trustee shall determine if the Trust Assets as of such date are less than the Required Funding Amount as of such date utilizing guidelines set forth on Exhibit D. As of each such Valuation Date the Required Funding Amount shall be the amount determined by the Trustee as required to fund the Payment Schedule with respect to each of the Plans listed in Exhibit A and B as well as an amount deemed to be appropriate by the Trustee, after consultation with the Corporation, to pay for the expenses and compensation of the Trustee in connection with the administration of the Trust. If such Trust Assets are less than the Required Funding Amount, the Corporation shall contribute to the Trust the amount by which the Required Funding Amount exceeds the value of the Trust Assets. Any such additional contributions shall be allocated to the Plans based upon the portion of the

Required Funding Amount applicable to each Plan.

- 3.5 If the Corporation by resolution of its Board of Directors in the event of a Change in Control, decides to fund in this Trust the Plans listed in Exhibit C, then the provisions of Sections 3.2 and 3.4 above shall include Exhibit C wherever Exhibits A & B are mentioned.
- 3.6 The Corporation shall provide the Trustee with information concerning Participants and the Benefits to which they are eligible. The Trustee may engage an insurance company, a third-party administrator, or other agent, including the Corporation, to administer the payment of Benefits. The Trustee may also engage an actuary in conjunction with its duties to determine the Required Funding Amount or any other of its responsibilities hereunder.
- 3.7 The Trustee may hold, invest and reinvest the Separate Accounts and sub-accounts as a consolidated single fund. The Trust Fund shall be valued by the Trustee as of each Valuation Date at current market values, as determined by the Trustee. Such valuation shall reflect cash contributions, income of the Trust Fund, gains or losses (including gains or losses not yet realized), distributions and expenses incurred following the preceding quarter. The amount of any net increase or decrease in the value of the Trust Fund shall be allocated among Separate Accounts in accordance with their respective balances as of the preceding Valuation Date reduced by any Benefit payments charged to such Separate Accounts since the preceding Valuation Date. The Trustee shall maintain the record of the value of each Separate Account and sub-account based on the aggregate amount of the Trust Fund and the information provided by the Corporation as to its contributions and allocations with respect to each Separate Account and sub-account.

ARTICLE IV

Distributions from Trust Fund

- 4.1 Prior to a Change in Control, distributions from the Trust Fund shall be made by the Trustee to the Participants at the direction of the Corporation. To the maximum extent permitted by applicable law, the Trustee shall be fully protected in making such distributions, provided that any amount so paid at any time shall not exceed the amount then in the Participant's sub-account. Any amounts so paid shall be reduced by the amount of income tax withholding required by law. In making such withholdings the Trustee may rely on the rates provided by the Corporation in any Payment Schedule and shall forward without delay the amounts withheld to the Corporation who shall pay such amounts to the

appropriate governmental authorities. Notwithstanding the provisions of this Trust, the Corporation shall remain obligated to pay the Benefits under the Plans. To the extent the amount in a Participant's sub-account is not sufficient to pay any Benefit when due, the Corporation shall pay any remaining Benefit due a Participant directly. Nothing in this Trust Agreement shall relieve the Corporation of its liabilities to pay Benefits except to the extent such liabilities are met by application of Trust Assets.

4.2 Prior to a Change in Control, the Corporation shall deliver a Payment Schedule to the Trustee which the Corporation shall update from time to time. After a Change in Control the Trustee shall pay Benefits in accordance with the most recent Payment Schedule delivered to it prior to the Change in Control.

4.3 Following a Change in Control, a Participant who believes that he or she is entitled to a Benefit under a Plan may apply in writing directly to the Trustee for payment of such Benefit. Such application shall advise the Trustee of the circumstances which entitle such Participant to payment of such Benefit. The Trustee shall, in such case, reach its own independent determination as to the Participant's entitlement of Benefit, even though the Trustee may be informed from another source (including the Corporation) that payments are not due under a Plan or that a distribution should not be made. If the Trustee so desires, it may, in its sole discretion, make such additional inquiries and/or take such additional measures as it deems necessary in order to enable it to determine whether a Benefit is due and payable, including, but not limited to, interviewing appropriate persons, requesting affidavits, soliciting oral or written testimony under oath, or holding a hearing or other proceeding, provided, however, that if the application is for monies due under a written employment agreement the Trustee shall endeavor to make its determination as to entitlement within thirty (30) days after its receipt of such application. If such determination and payment are not made within thirty (30) days, and if such application is supported by a sworn affidavit of entitlement setting forth facts which on their face would support such an entitlement, and if the application is accompanied by the Participant's promise to repay any monies finally determined not to be due the Participant, then the Trustee shall make such payment within thirty (30) days after its receipt of the application and shall thereafter continue such payments as are claimed due until a final determination of non-entitlement is made. The Trustee may engage its own counsel or other experts to assist it in making determinations under this Trust Agreement. The cost of such counsel or other expert assistance, and any other costs reasonably incurred by the Trustee in making its determination, shall be borne by the Corporation. If the Corporation fails to pay any such costs when due, the Trustee may use the assets of the Trust Fund to pay such costs and the Corporation shall reimburse the Trust Fund for such payments.

The Trustee shall not be liable to the Trust or the Corporation for any payments made pursuant to this section based on its independent determinations pursued with reasonable diligence nor shall it be liable for the failure of a Participant to repay monies paid prior to its independent determination where such payments are made pursuant to the provisions of this section.

4.4 Notwithstanding any other provision of this Trust Agreement other than Article VIII, if any amounts held in the Trust Fund are found in a "determination" (within the meaning of Section 1313(a) of the Code) to have been includible in gross income of a Participant prior to payment of such amounts from the Trust, the Trustee shall, as soon as practicable, pay such amounts to such Participant and charge the Participant's sub-account accordingly. For purposes of this Section 4.4, the Trustee shall be entitled to rely on an affidavit by a Participant and a copy of the determination to the effect that a determination described in the preceding sentence has occurred.

ARTICLE V

Investment and Administration of Trust Fund

5.1 The Trustee shall invest and reinvest the Trust Fund, without distinction as to principal and income, in a manner consistent with an investment policy and guideline that it shall invest the Trust Fund in a fashion which has the primary priority of preservation of principal and liquidity of the Trust Fund and, second, to the extent consistent with these goals, which maximizes the income of the Trust Fund. The Trustee is expressly authorized to invest the Trust Fund or any portion thereof in short-term money market instruments, including deposits with itself and/or United States Treasury or Agency obligations as it may deem, in its discretion, appropriate to implement said investment policy and guideline, notwithstanding any other investment provisions contained herein. The Trustee shall have the sole power and responsibility for the investment and reinvestment of the Trust Fund. The Trustee is authorized to invest and reinvest the Trust Fund in stocks, both common and preferred, bonds, notes, debentures, mortgages, equipment lease certificates, registered investment company stock, real estate investment trusts, common trust funds of which it is the trustee, certificates of deposit, banker's acceptances, obligations of the United States Government, its agencies and authorities, or of any state or local governmental authority or agency, or in any other kind of investment, without regard to whether or not such investment is an authorized or appropriate investment for trustees under any state laws applicable hereto. The Trustee may hold uninvested such cash as it considers to be required for current expenditures. The Trustee may register, hold, or retain any real or personal property, investments or instruments, or certificates

representing same (including, without limitation, stocks, bonds or other securities) in its own name or in the name of its nominee, or may keep same unregistered and may retain same in such condition that title or interest may pass by delivery.

Notwithstanding the foregoing provisions of this Section 5.1 prior to a Change in Control, the Corporation may from time to time appoint and designate in a writing delivered to the Trustee one or more (i) investment managers to manage the investment of all or any part of the Trust Assets, or (ii) insurance companies and/or contracts with or under which Trust Assets may be deposited. Any contributions in kind during such a period shall be held by the Trustee without a duty to maximize income on that portion of the Trust Assets. Upon the occurrence of a Change in Control, the Trustee shall have the sole investment responsibility of the Trust Assets and any appointment of an investment manager theretofore shall be considered terminated.

5.2 The Trustee shall be entitled to such compensation and fees for its services under this Trust Agreement as shall be set forth in its regular schedule of compensation and fees for trust services in effect at the time such compensation or fee is payable unless the Corporation and Trustee otherwise agree. Such compensation, fees and reimbursement shall be paid to the Trustee by the Corporation directly; but if the Corporation shall fail to do so, the Trustee shall be entitled to withdraw all amounts to which it is entitled from the Trust Fund, to the extent the Trust Fund is sufficient, and to the extent the Trust Fund is not sufficient, the additional amounts due shall constitute a lien against the Trust Fund. If the Trustee is paid from the Trust Fund, the Corporation shall reimburse the Trust Fund for any such payments.

5.3 The Trustee shall accept for deposit in the Trust Fund all contributions made by the Corporation under this Trust Agreement and shall promptly acknowledge receipt of same. Prior to a Change in Control the Trustee shall have no responsibility to determine or to question the accuracy or correctness of any amounts so contributed and shall have no responsibility or liability for any failure of the Corporation to make contributions to the Trust Fund or any insufficiency of assets in the Trust Fund to pay Benefits when due.

5.4 In addition to the powers elsewhere conferred upon the Trustee under this Trust Agreement, the Trustee shall have the power and authority to:

- (a) Sell, transfer, mortgage, pledge, lease or otherwise dispose of, or grant options with respect to, all or any portion of the Trust Fund assets at public or private sale;
- (b) Borrow funds to the extent temporarily required to make any payment or investment authorized by this Trust Agreement;

- (c) Except as provided in Section 5.5, exercise all rights of ownership with respect to all stocks, securities and other property owned by the Trust, including, without limitation, the power and authority to exercise voting rights, to participate in reorganizations, recapitalizations, consolidations, mergers and similar transactions, and to exercise any options, subscription rights and conversion privileges;
- (d) Perform all acts which the Trustee shall deem necessary or appropriate to perform its duties and discharge its responsibilities under this Trust Agreement.

- 5.5 Notwithstanding any other provision contained herein, in the event that the Trust Fund is invested in stock of the Corporation which is allocated to sub-accounts of Participants, prior to each annual or special meeting, the Corporation shall cause to be sent to each Participant whose sub-account is so credited, a copy of the proxy solicitation material therefore, together with a form requesting that each Participant give to the Trustee his confidential instructions with respect to the manner in which such shares of stock of the Corporation as are credited to his sub-account shall be voted by the Trustee. Upon receipt of such instructions, the Trustee shall vote the shares as instructed. Instructions received from individual Participants by the Trustee shall be held in the strictest confidence, shall not be divulged or released to any other person, including officers or employees of the Corporation. The Trustee shall not vote stock of the Corporation so allocated with respect to which it does not receive instructions. As of each Valuation Date and each date of record for any annual or special Corporation shareholder meeting, the Trustee shall report to the Corporation any Corporation stock holdings allocated to any sub-accounts.
- 5.6 The Trustee shall keep accurate and detailed accounts and records of all investments, receipts and disbursements, and other transactions of the Trust. All accounts, books and records of the Trust shall be open, at all reasonable times, to inspection or audit by Participants and by any person designated by the Corporation.
- 5.7 The Trustee shall furnish to the Corporation within 60 days after each valuation, and in the event the Trust is terminated or a successor Trustee is appointed, within 60 days after such event, and at such other times as may be requested by the Corporation a statement of transactions which sets forth all opening and closing balances, purchases, sales, receipts, disbursements and other transactions involving the Trust since the date of the last statement of transactions of the Trustee (or covering such other period as may be specified by the Corporation). Such statement of transactions shall contain an exact description and the cost shown on the books of the Trust and the fair market value as of the date shown on the books of the Trust and the fair market value as of the date of the

statement of transactions, of all assets of the Trust.

5.8 The Trustee may consult with any legal counsel, including counsel to the Trustee, and (except following a Change in Control) counsel to the Corporation, with respect to the construction of this Trust Agreement, its duties hereunder, or any act which it proposes to take or omit, and shall not be liable for any action taken or omitted in good faith pursuant to such advice. Expenses of such counsel shall be deemed to be expenses of management and administration of the Trust.

5.9 The Corporation shall certify to the Trustee the name or names of any person or persons authorized to act for the Corporation. Such certification shall be signed by an appropriate officer. Until the Corporation notifies the Trustee, in a similarly signed notice, that any such person is no longer authorized to act for the Corporation, the Trustee may continue to rely upon the authority of such person.

The Trustee may rely upon any certificate, notice or direction of the Corporation which the Trustee reasonably believes to have been signed by a duly authorized officer or agent of the Corporation.

Communications to the Trustee shall be sent in writing to the Trustee's office at 301 North Main Street, Winston-Salem, North Carolina 27150 or to such other address as the Trustee may specify. No communication shall be binding upon the Trustee until it is received by the Trustee and unless it is in writing and signed by an authorized person.

Communications to the Corporation shall be sent in writing to the Corporation's principal office at 277 Park Avenue, New York, New York 10172 Attn: Corporate Secretary, or to such other address as the Corporation may specify. No communication shall be binding upon the Corporation until it is received by the Corporation.

5.10 The Corporation at any time may employ as agent (to perform any act, keep any records or accounts, or make any computations required of the Corporation by this Trust Agreement or the Plans) the corporation or association serving as Trustee hereunder. Nothing done by said corporation or association as such agent shall affect its responsibilities or liability as Trustee hereunder.

ARTICLE VI

Resignation and Removal of Trustee

6.1 The Trustee may resign upon 90 days' prior written notice to the Corporation,

except that any such resignation shall not be effective until the Corporation has appointed in writing a successor trustee, which must be a bank or trust company, acceptable to both the Trustee and the Corporation, and such successor has accepted the appointment in writing. The Corporation shall make a good faith effort, following receipt of notice of resignation from the Trustee, to find and appoint a successor trustee who will adhere to the obligations imposed on such successor under the terms of this Trust Agreement, and in particular, but without limitation, the obligation to exercise judgement independent of the Corporation in the circumstances described in Section 4.3, and the Trustee shall condition its acceptance of such successor on the obtaining from such successor of a written statement that (i) the successor has read the Trust Agreement and understands its obligations thereunder, and (ii) that a "Chinese Wall", as that term is commonly understood in the banking community, exists between the successor's trust department and its banking department.

- 6.2 Subject to the provisions of Section 6.1 and the following paragraph, the Corporation may remove the Trustee upon 90 days' prior written notice to the Trustee, except that any such removal shall not be effective until (i) the close of such notice period, (ii) delivery by the Corporation to the Trustee of an instrument in writing appointing a successor trustee, which must be a bank or trust company, and (iii) the acceptance of such appointment in writing executed by such successor.

Following a Change in Control, the Trustee may be removed by the Corporation, subject to the foregoing provisions, only with the written consent of a majority of Participants who, at the time such removal is sought, are listed on the Payment Schedule. Upon its receipt by the Trustee of a written notice of removal, the Trustee shall be responsible for securing such consents in a timely fashion and, unless ordered by a court of a competent jurisdiction, shall not reveal to the Corporation or to any other person any information concerning such consents, except whether the required majority has been achieved. Any notice sent to Participants by the Trustee canvassing the Participants as to their consent to removal of the Trustee, shall include (i) the name and address of the proposed successor, (ii) an acknowledgement that the successor has read the Trust Agreement and understands its obligations thereunder, and (iii) that a "Chinese Wall", as that term is commonly understood in the banking community, exists between the successor's trust department and its banking department.

- 6.3 All of the provisions set forth herein with respect to the Trustee shall relate to each successor with the same force and effect as if such successor had been originally named as the Trustee hereunder.

6.4 Upon the resignation or removal of the Trustee and appointment of a successor, the Trustee shall transfer and deliver the Trust Fund to such successor. Following the effective date of the appointment of the successor, the Trustee's responsibility hereunder shall be limited to managing the assets in its possession and transferring such assets to the successor, and settling its final account. Neither the Trustee nor the successor shall be liable for the acts of the other.

ARTICLE VII

Duration and Termination of Trust

7.1 The Trust shall continue until all Benefits under the Plans have been paid. After all such Benefits have been paid, the Trust shall terminate.

7.2 If the Trust terminates pursuant to the provisions of Section 7.1, the Trustee shall liquidate the Trust Fund and, after its final account has been settled, shall distribute to the Corporation the net balance of any assets of the Trust remaining after all Benefits and expenses have been paid. Upon making such distribution, the Trustee shall be relieved from all further liability. The powers of the Trustee hereunder shall continue so long as any assets of the Trust Fund remain in its hands.

ARTICLE VIII

Claims of Corporation's Creditors

8.1 In the event that the Corporation becomes Insolvent, the assets of the Trust shall be held for the benefit of the general creditors of the Corporation (hereinafter referred to as "Bankruptcy Creditors"). The Corporation, by its chief executive officer and its Board of Directors, shall promptly notify the Trustee in the event that the Corporation becomes Insolvent.

8.2 If at any time the Corporation or a person claiming to be a creditor or the Corporation alleges in writing to the Trustee that the Corporation has become Insolvent, the Trustee shall within 30 days independently determine whether the Corporation is Insolvent and, pending such determination, the Trustee shall discontinue payments of Benefits under the Plans and this Trust Agreement, and shall hold the Trust Fund for the benefit of Bankruptcy Creditors. The Trustee shall resume payments of Benefits under the Plans and this Trust Agreement only after the Trustee has determined that the Corporation is not Insolvent (or is no

longer Insolvent, if the Trustee initially determined that the Corporation to be Insolvent) or upon receipt of an order of a court of competent jurisdiction requiring such payments. In determining whether the Corporation is Insolvent, the Trustee may rely conclusively upon, and shall be protected in relying upon, court records showing that the Corporation is Insolvent, or a current report or statement from a nationally recognized credit reporting agency showing that the Corporation is Insolvent. The Trustee shall have no duty or obligation to ascertain whether the Corporation is Insolvent unless and until it receives a writing that the Corporation is Insolvent as described in the first sentence of this Section 8.2.

If the Trustee determines that the Corporation is Insolvent, the Trustee shall as soon as practicable thereafter invest all of the assets of the Trust Fund in short-term federal government securities or in a common fund invested in such securities. The Trustee shall hold the Trust Fund for the benefit of the Corporation's Bankruptcy Creditors, and shall disburse assets from the Trust Fund only to satisfy such claims as a court of competent jurisdiction shall direct.

If the Trustee discontinues payment of Benefits pursuant to the first paragraph of this Section 8.2 and subsequently resumes such payments, the first payment to a Participant following such discontinuance shall include an aggregate amount equal to the differences between the payments which would have been made to such Participant under this Trust Agreement but for this Section 8.2 and the aggregate payments actually made to such Participant by the Corporation pursuant to the Plans during any such period of discontinuance, plus interest on such amount at a rate equivalent to the net rate of return earned by the Trust Fund during the period of such discontinuance. In the event that upon resumption of payments pursuant to the preceding sentence the assets of the Trust Fund are insufficient to pay Benefits in full, including Benefit payments discontinued under this paragraph, Benefit payments to Participants shall be prorated so as to equitably apportion assets of the Trust among all affected Participants.

8.3 In the event that an amount is paid from the Trust Fund to Bankruptcy Creditors of the Corporation, the Trustee shall demand that the Corporation deposit into the Trust Fund a sum equal to the amount paid by the Trust Fund to such Bankruptcy Creditors and, if such payment is not made within 90 days of such demand the Trustee shall take such action as it deems prudent or advisable to recover payment.

ARTICLE IX

Miscellaneous

- 9.1 The Corporation acknowledges and agrees that it is the owner of the Trust for income tax purposes and that, as such, all income, deductions and credits of the Trust Fund belong to the Corporation and shall be included in the Corporation's income tax returns. However, except as necessary to satisfy the obligation upon a distribution to withhold taxes and to pay over such withheld amounts to the appropriate taxing authorities, neither the Corporation nor the Trust shall have any obligation or liability for the payment of any income, estate, gift, or employment taxes payable by a Participant, or the estate of a Participant, with respect to Benefits or a sub- account maintained with respect to such benefits.
- 9.2 Nothing contained in this Trust Agreement shall modify, or be interpreted or construed to modify, the terms of any of the Plans.
- 9.3 This Trust is created and accepted in the State of North Carolina; and all questions pertaining to the validity or construction of this Trust Agreement and the acts and transactions of the parties hereto and their respective successors shall be determined in accordance with the laws of such state, except as to matters governed by federal law.
- 9.4 Nothing contained in this Trust Agreement shall create, or be construed or interpreted to create, any new or additional obligations on the part of the Corporation to retain any person in its employ or interfere in any way with the right of the Corporation to discharge any employee.
- 9.5 After a Change in Control, any dispute between a Participant and or the Corporation and the Trustee with respect to the interpretation or application of the provisions of this Trust Agreement regarding amounts payable from the Trust under a Plan shall be determined exclusively by binding arbitration in the city in which the principal office of the Trustee is located in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court of competent jurisdiction. All fees and expenses of such arbitration shall be paid by the Corporation and in the event that the Corporation refuses to so pay, the Trustee shall pay such fees and expenses as an expense of the Trust.
- 9.6 If any Participant to whom a benefit is payable under a Plan is unable to care for his affairs because of illness or accident, any payment due from the Trust (unless prior claims therefore shall have been made by a duly qualified guardian or other legal representative) may be paid to the spouse, parent, adult child, brother, or

sister of the Participant, or any other individual in accordance with the terms of such Plan.

9.7 In the event that any provision of this Trust Agreement be determined by a court of competent jurisdiction to be unlawful or unenforceable, such determination shall not adversely affect the remaining provisions of this Trust Agreement, or the application of the remaining provisions, unless it shall make impossible the maintenance or operation of the Trust for its intended purposes. To the extent any provision of this Trust Agreement is determined to be unlawful or unenforceable, this Trust Agreement shall be construed to be carried out to the fullest extent possible in a lawful and enforceable manner.

9.8 Corporation contributions to the Trust shall not constitute, or be deemed to be, salary or wages due Participants.

9.9 No contributions to the Trust Fund, and no Separate Account or sub-account under the Trust Fund, shall be subject, in any manner, to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by, or with respect to, a Participant, and any attempt to do so shall be void; nor shall any such contributions, Separate Account, or sub-account be, in any manner, liable for or subject to the debts, contracts, liabilities, engagements or torts of any Participant.

9.10 This Trust Agreement may be executed in any number of counterparts, each of which shall be considered an original; and said counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Corporation and the Trustee have entered into this Trust Agreement as of the date first above written.

BORDEN, INC. ("Corporation")

By S/S Allan L. Miller Title: Senior V.P. - Chief Administrative Officer

And S/S James A. King Title: Asst. General Counsel

WACHOVIA BANK OF NORTH CAROLINA, N.A. ("Trustee")

By S/S Joe O. Long Title: Senior Vice President

And Title:

EXHIBIT A

Plans Covered: (Reference Section 1.2)

1. Borden, Inc. Executives Excess Benefits Plan. All benefits under the Plan.
2. Borden, Inc. Executives Supplemental Pension Plan. All benefits under the Plan.
3. Borden, Inc. Executive Family Survivor Protection Plan. All benefits under the Plan.
4. Borden, Inc. 1989 Management Incentive Plan*
5. Borden, Inc. 1984 Management Incentive Plan*
6. Borden, Inc. Profit Center Management Incentive Plan*
7. Borden, Inc. Corporate Staff Incentive Plan*
8. Written contractual agreements entered into at the time of hire of senior executives to supplement either pension or saving plan benefits beyond that provided for in the Borden, Inc. Executives Excess Benefits Plan or the Borden, Inc. Executives Supplemental Pension Plan.

*Numbers 4 through 7 above only to the extent of awards granted and deferred in the form of phantom shares or actual shares of Borden, Inc.

EXHIBIT B

1. The Plans of the Corporation that shall constitute Exhibit B Plans are as follows:
 - Borden, Inc. 1989 Management Incentive Plan,
 - Borden, Inc. 1984 Management Incentive Plan,
 - Borden, Inc. Profit Center Management Incentive Plan,
 - Borden, Inc. Corporate Staff Incentive Plan, and
 - Borden, Inc. Executive Supplemental Pension Plan, but only to the extent that shares of common stock of the Corporation are to be provided as Supplementary Company contributions under Section 3.2(a) of the Plan.

2. Notwithstanding any language in Article VIII to the contrary, any stock of the Corporation held as a Trust Asset for the purpose of funding distributions under one or more Exhibit B Plans shall, as of the date such distribution is to be made to a Participant under said Plan and from thence forward, be held for the sole benefit of the Participant, legal and equitable title to such stock shall pass to the Participant and such stock shall not be subject to the claims of any creditor of the Company, unless (i) the events described in Sections 8.1 or 8.2 of the Trust Agreement shall have occurred prior to the date of the proposed distributions, and (ii) the Corporation's Insolvency or the Trustee's determination of the Corporation's status (as the case may be) shall be continuing as of the date of the proposed distribution; provided, however, that any such distributions shall be subject to reduction by the amount of income tax withholding required by law. Promptly after such date the Trustee shall distribute such stock to the Participant, reduced as heretofore provided for income tax withholding, or, if the Participant directs, dispose of such stock in accordance with the provisions of Paragraph 4 of this Exhibit B.

3. Notwithstanding any language to the contrary in Section 5.1, 5.4, or 5.5 of the Trust Agreement or the instructions of any investment manager appointed pursuant to Section 5.1 of the Trust Agreement, the Trustee shall not be permitted to sell, transfer, mortgage, pledge, lease or otherwise dispose of, or grant options with respect to, any stock of the Corporation held as a Trust Asset for the purpose of funding distributions under one or more Exhibit B Plans, except as provided in Paragraph 4 of this Exhibit B.

4. Subject to the terms of the applicable Exhibit B Plan, the Trustee, if directed by the Participant, shall be permitted to sell, transfer, or otherwise dispose of the stock to which reference is made in Paragraphs 2 and 3 of this Exhibit B only on and after the date such stock would otherwise be distributed to a Participant. If the Trustee disposes of such stock, the proceeds of such sale, reduced by the amount of income tax withholding required by law, shall be promptly distributed to the Participant.

EXHIBIT C

Plans Covered: (Reference Section 1.2)

9. Borden, Inc. Total Family Protection Plan, but only to the extent of providing future medical and life benefits for any retiree of the Corporation and his or her beneficiaries and for any employee (and his or her beneficiaries) eligible to retire on the date of the Change In Control and only to the extent such benefits are not already funded under the Borden, Inc. Employees Retirement Income Plan.
10. Employment Contracts and arrangements of Borden, Inc. (hereinafter, "Employment Contracts") as follows:
 - The Core Management Arrangements dated March 15, 1988 or later for Core Management members appointed after that date.
 - The agreement of June 22, 1993 with A. S. D'Amato.
 - The agreement of June 24, 1993 with Ervin R. Shames.
11. The Borden, Inc. 1984 Stock Option Plan, as Amended*
12. The Borden, Inc. 1994 Stock Option Plan, as Amended*

*Numbers 11 and 12 above only to the extent of providing funding for Stock Appreciation Rights outstanding as of a Change in Control.

EXHIBIT D

Funding Guidelines: (Reference Section 3.4)

1. Borden, Inc. Executives Excess Benefits Plan
 - a. With regard to Excess Benefits as defined in Section 3.1, the following actuarial assumptions:
 - (i) The 1996 GAM Mortality Table (1983 GAM Mortality Table projected to 1996 with Scale H), blended 80% males, 20% females, and
 - (ii) An interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S. Treasury issue as of the business day on which the valuation is performed as published in the Midwest edition of the WALL STREET JOURNAL, if the valuation is not performed on a business day, the immediately preceding business day yield shall be used.
 - (iii) Commencement of benefits at the earliest permissible date as set forth in the Plan or, if later, the date as of which the valuation is performed.
 - b. With regard to Excess Contributions as defined in Section 3.2, the assumption that the Excess Contributions Account is payable in a lump sum on the date as of which the valuation is performed.
2. Borden, Inc. Executives Supplemental Pension Plan
 - a. With regard to Deferred Compensation as defined in Sections 1.9 and 3.2(b), the assumption that the Participant Deferred Account is payable on the date as of which the valuation is performed.
 - b. With regard to Supplemental Benefits as defined in Section 3.1 and Special Supplemental Benefits described in Appendix A and Appendix B, paragraph 1, the following actuarial assumptions:
 - (i) The 1996 GAM Mortality Table (1983 GAM Mortality Table projected to 1996 with Scale H), blended 80% males, 20% females, and

- (ii) An interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S. Treasury issue as of the business day on which the valuation is performed as published in the Midwest edition of the WALL STREET JOURNAL, if the valuation is not performed on a business day, the immediately preceding business day yield shall be used, and
 - (iii) Commencement of benefits at the earliest permissible date as set forth in the Plan or, if later, the date as of which the valuation is performed.
- c. With regard to Supplemental Company Contributions as defined in Section 3.2(a), the assumption that the Supplemental Company Contributions Account is payable in a lump sum on the date as of which the valuation is performed.

3. Borden, Inc. Executive Family Survivor Protection Plan

- a. With regard to Lump Sum Benefits as defined in Sections 3.1(a) and 3.2(a), the following actuarial assumptions:
- (i) The 1996 GAM Mortality Table (1983 GAM Mortality Table projected to 1996 with Scale H), blended 80% males, 20% females, and
 - (ii) An interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S. Treasury issue as of the business day on which the valuation is performed as published in the Midwest edition of the WALL STREET JOURNAL, if the valuation is not performed on a business day, the immediately preceding business day yield shall be used.
- b. With regard to Monthly Benefits as defined in Sections 3.1(b) and 3.2(b), the following actuarial assumptions:
- (i) The 1996 GAM Mortality Table (1983 GAM Mortality Table projected to 1996 with Scale H), blended 80% males, 20% females, and
 - (ii) An interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S. Treasury issue as of the business day on which the valuation is performed as published in the Midwest edition of the WALL STREET JOURNAL, if the valuation is not performed on a business day, the immediately preceding business

day yield shall be used,

- (iii) No re-marriage assumption,
- (iv) Where marital status is unavailable, an assumption that medical coverage for more than only the employee implies that the employee is married, and that no medical coverage or medical coverage for the employee only implies that the employee is unmarried, and
- (v) Where the employee is, or is assumed to be, married and spouse's birth date is unavailable, an assumption that the male of a couple is three years older than the female of the couple.

c. With regard to Disability Benefits as defined in Section 3.3,

- (i) An interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S. Treasury issue as of the business day on which the valuation is performed as published in the Midwest edition of the WALL STREET JOURNAL, if the valuation is not performed on a business day, the immediately preceding business day yield shall be used, and
- (ii) Rates of recovery and death according to the 1964 Commissioner's Disability Table, adjusted for the first year after disability based on recent experience of large insurance companies as reported in the Transactions of the Society of Actuaries.

d. With regard to the Survivor Accumulation Account as defined in Section 3.4, the assumption that the Survivor Accumulation Account is payable in a lump sum on the date as of which the valuation is performed.

e. With regard to the Medical Accumulation Account as defined in Section 3.4, the assumption that the Medical Accumulation Account is payable in a lump sum on the date as of which the valuation is performed.

4.-7. Incentive Plans listed in Exhibit A. The number of Borden, Inc. shares of common stock equal to the number of shares equivalents or actual shares deferred and previously granted plus, where the deferral provides for accumulation, accumulated dividends since grant.

8. Supplements to pension or saving plan benefits. The assumptions for pension and savings plan benefits are those contained above in Section 2(b) and 2(c) respectively.
9. Borden, Inc. Total Family Protection Plan
- a. With regard to Life Insurance benefits,
- (i) The 1996 GAM Mortality Table (1983 GAM Mortality Table projected to 1996 with Scale H), blended 80% males, 20% females, and
 - (ii) An interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S. Treasury issue of the business day on which the valuation is performed as published in the Midwest edition of the WALL STREET JOURNAL, if the valuation is not performed on a business day, the immediately preceding business day yield shall be used,
- b. With regard to Medical benefits,
- (i) The 1996 GAM Mortality Table (1983 GAM Mortality Table projected to 1996 with Scale H), blended 80% males, 20% females, and
 - (ii) An interest rate, compounded monthly, equal to the yield of the most recently issued 30-year maturity U.S. Treasury issue as of the business day on which the valuation is performed as published in the Midwest edition of the WALL STREET JOURNAL, if the valuation is not performed on a business day, the immediately preceding business day yield shall be used.
 - (iii) Current costs based on the prior two calendar years' actual claim experience,
 - (iv) An annualized medical care trend rate of 2% in excess of the interest rate assumption and
 - (v) Where coverage is for more than only the employee and spouse's birth date is unavailable, an assumption that the male of a couple is three years older than the female of the couple.

10. Employment Contracts. In respect of persons who are parties to or beneficiaries under each Employment Contract (as defined in Exhibit C), the sum of the following amounts:
- a. Three Year Salary and Bonus. The sum of thirty-six times the sum of the highest monthly base salary paid to each Core member since the inception date of their Core Arrangement, plus three times the sum of the higher of the standard annual bonus or the last annual bonus awarded for the year prior to the Change in Control for each individual in the Core Management Group, plus three times the sum of the higher of the standard LTPIP allocation or the last LTPIP award for the year prior to the Change in Control for each individual in the Core Management Group.
 - b. Benefits and Perquisites. Seventy percent (70%) of the base annual salary referred to in paragraph a. above.
 - c. Excise Tax. The sum of a. through b. above multiplied by twenty percent (20%).
 - d. Enforcement Fund. The sum of one-half the current base annual salary for all Core Management Group members as of the date of the Change in Control.

- 11.&12. Stock Option Plans listed in Exhibit C. The sum of the Market Price less the option price but not less than zero of Borden, Inc. common shares for each outstanding option SAR grant multiplied by the number of option SAR's outstanding in each such grant. "Market Price" to be the average of the high and low trade reported on the consolidated network on the Friday after the Change in Control.

EFSP12.93

Exhibit 10(xiv)(c)

SUPPLEMENT TO EMPLOYMENT AGREEMENT

This SUPPLEMENT TO EMPLOYMENT AGREEMENT (this "Supplement") is made and entered into as of the 9th day of December, 1993 (the "Effective Date") by and between Borden, Inc. (the "Corporation"), a New Jersey corporation, and Anthony S. D'Amato ("Executive").

WHEREAS, Executive and the Corporation entered into an Employment Agreement dated as of December 3, 1990, as amended as of September 24, 1991 and further amended as of June 22, 1993, and as supplemented by the letter agreement dated September 30, 1993 (as amended and supplemented, the "Employment Agreement"); and

WHEREAS, the Board of Directors of the Corporation has determined to terminate the Executive's employment without cause as of the Effective Date, and the parties desire to supplement the terms and conditions of the Employment Agreement relating to the cessation of Executive's employment by the Corporation and to deal with related matters in this Supplement;

NOW, THEREFORE, in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto represent, warrant, covenant and agree as follows:

1. Executive and the Corporation confirm that as of the Effective Date, notwithstanding any public statements to the contrary or any resignations executed by the Executive, Executive's employment by the Corporation and each of its subsidiaries including, without limitation, as Chairman, Chief Executive Officer and Director of the Corporation has been terminated by the Corporation without Cause and that such termination of employment is a "Termination" as defined in paragraph 5.03(a) of the Employment Agreement.

2. The Corporation shall pay all of the base salary accrued to the Executive but unpaid through the Effective Date on or before December 20, 1993, and shall, in accordance with its existing policies, reimburse Executive for all expenses incurred by him prior to the Effective Date promptly after submission thereof.

3. The payments made pursuant to Section 3.01(h)(i)(A) of the Employment Agreement shall be paid on the first day of each month, in advance; provided that the payment for the period from December 10, 1993 through December 31, 1993

shall be made on or before December 20, 1993, to the extent not previously paid.

4. To the extent that the Executive is called upon to satisfy his obligations to the Corporation pursuant to Section 3.01(b)(ii) of the Employment Agreement, the Corporation shall pay all expenses incurred by the Executive in connection therewith including, but not limited to, transportation, meals, lodging and legal fees and expenses.

5. In the event of a Change of Control prior to the Terminal Date, the Corporation shall make a lump sum payment to the Executive, or in the event of his death, his legal representative, equal to the amounts payable but not yet paid pursuant to Section 3.01(b)(i)(A); provided that for purposes of determining the Executive's benefits under any benefit plans of the Corporation, the Executive's compensation for the year of the Change of Control and any relevant year thereafter shall be deemed to be \$900,000.

B. Section 3.01(b)(i) of the Employment Agreement shall be amended by deleting the following text:

"mitigated by deducting any compensation and pension benefits that the Executive may earn during the same period for personal services to others, and . . . and further offset by

(II) 50% of social security benefits payable to or on behalf of the Executive for the period in which he or his legal representatives are receiving such payments,

Provided, however, that in no event shall the Executive (or his survivor) receive any pension service credit for any period after the death of the Executive. The foregoing offsets shall be calculated and determined by the Corporation's actuaries and compensation counsel."

Section 3.01(b)(i) is further amended by adding the following text at the end thereof:

"Notwithstanding the foregoing, if there is a prepayment or an accelerated payment of an accrued benefit relating to the Executive's physical or mental incapacity that would have been paid at a later date, such amount shall not be offset hereunder."

7. Sections 3.01(c) and (d) shall be deleted in their entirety.

8. The Executive shall have no duty to mitigate damages to the Corporation as a result of this termination not to make any effort to seek other employment. Accordingly, Section 6 of the Employment Agreement shall be deleted in its entirety.

9. The entire unvested portion of any and all stock options or restricted stock held by the Executive shall immediately become fully vested and exercisable. Each such option shall be exercisable until the earlier of (i) October 31, 2002 or (ii) the expiration of the option in accordance with its terms.

10. In consideration for the Executive's waiver of certain rights under the Employment Agreement, on or before December 20, 1993, the Corporation shall pay Executive \$757,000. This amount shall not constitute pensionable income nor shall it be taken into account in determining amounts payable to the Executive under the Corporation's benefit plans.

11. The Corporation shall promptly pay or reimburse Executive for all legal and other reasonable fees and consulting expenses incurred by him in connection with the preparation and negotiation of this Supplement.

12. Section 8 of the Employment Agreement shall be amended by changing the notice address for the Executive as follows:

To the Executive: Anthony S. D'Amato
 250 Beacon Street
 Boston, MA 02116

With a copy to: Kenneth J. Novack, Esq.
 Mintz, Levin, Cohn, Ferris,
 Glovsky and Popeo, P.C.
 One Financial Center
 Boston, MA 02111

13. The Corporation intends to provide Executive with continuing benefits through the Terminal Date consistent with Executive's long service to the Corporation, including his service as its Chairman and Chief Executive Officer. Accordingly, without limiting the generality of the foregoing, the corporation shall provide Executive with the following benefits through October 31, 1997, or such earlier date specified below:

(a) Corporation-paid annual physical examinations.

(b) Up to \$15,000 per year for financial, tax and estate planning and counseling.

(c) \$15,000 per year will be reserved from the Borden Foundation budget for Executive to designate grant recipients. Notwithstanding Executive's designation of grant recipients, the funds of the Borden Foundation will continue to be administered in accordance with regular Foundation guidelines.

(d) The Corporation will continue for Executive the matching benefit program available to current active directors for their own gifts to higher education or health institutions.

(e) Until February 28, 1994 the Corporation shall permit Executive to continue to use his office located in North Andover, Massachusetts. Thereafter, for two years after the Effective Date, the corporation will pay for an office in a location designated by Executive and secretarial support at an expense not to exceed \$30,000 per annum.

(f) The Corporation shall pay the dues and expenses (but not initiation fees) for the membership in and use of one country club and one luncheon club of the Executive's choice.

(g) Liability and umbrella insurance benefits comparable to that provided to active senior executives of the Corporation, at the Corporation's expense.

14. Executive shall continue to have the exclusive use of the apartments he currently uses in New York until the earlier of the end of the lease term or August 31, 1994, and Columbus through March 31, 1994. The Executive may, prior to August 31, 1994, at his option acquire at book value any furniture and furnishings located in any of the Corporation's apartments or offices used by the Executive immediately prior to the Effective Date. The Executive may at his option acquire, at a price consistent with the Corporation's past practice for terminated executives, ownership of the 1992 Cadillac Seville Executive is currently using in Columbus and the 1990 Buick Executive is currently using in North Andover. Until October 31, 1997, the Corporation shall provide Executive with a car and chauffeur whenever he, in the greater New York City metropolitan area, is engaged in business, public or educational activities on behalf of, or related to, the Corporation.

The Corporation shall pay all reasonable expenses incurred by Executive in connection with Executive's removing

his personal effects from the Corporation offices and apartments in New York and Columbus, including Executive's travel expenses related thereto.

15. The Corporation has no present intention of modifying so as to reduce the entitlement of Executive to indemnification under its By-Laws and, if it should do so, no such modification shall result in Executive's entitlement to indemnification being on terms and conditions which differ from the entitlement to indemnification of other persons who were directors and officers as of the Effective Date. For three years following the Effective Date, the Corporation shall maintain in effect for the benefit of the Executive, Directors and Officers Liability Insurance with respect to matters occurring prior to the Effective Date no less favorable than for other directors and officers of the Corporation who held office immediately prior to the Effective Date.

16. All capitalized terms used but not defined herein shall have the meanings given in the Employment Agreement. Except as modified hereby, the Employment Agreement shall continue in full force and effect; provided, however, that if the terms of the Employment Agreement and this supplement conflict, the terms of this Supplement shall govern.

17. The parties agree to take all action reasonably necessary to effectuate the intent of this Supplement.

18. The Corporation represents that the execution and delivery of this Supplement has been duly authorized by the Corporation's Board of Directors, or an authorized committee thereof, and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

19. This Supplement may be executed in counterparts.

IN WITNESS WHEREOF the parties hereto have executed this Supplement as of the day and year first above written.

CORPORATION:

BORDEN, INC.

BY: _____

EXECUTIVE:

Anthony S. D'Amato

Exhibit 10 (xiv)(e)

Description of Amended Employment Agreement with E.R. Shames

The Employment Agreement with Mr. Shames, as amended, provides for a base salary of \$800,000; a guaranteed annual incentive for 1993 of \$200,000; 30,000 shares of restricted stock, one quarter of which vest each year over the next four years, beginning July 1, 1994; a 200,000 share option grant in 1993 at \$17.75 per share; and an option for 150,000 shares at \$14.50 per share consisting of a 100,000 share option originally promised for 1994 and accelerating to 1994 a 50,000 share option originally promised for 1995. In addition, the agreement provides for grants on July 1, 1994 and January 2, 1995, at market prices on those dates, of performance vesting options on 250,000 shares each grant, which can be exercised only after one year from the date of grant and only after an average stock price of \$21.50 and \$25.00 respectively is maintained for 20 consecutive trading days. The restricted stock and option grants are contingent upon shareholder approval of the 1994 Stock Option Plan and, in the event such Plan is not approved by shareholders, the agreement provides Mr. Shames with the economic equivalent of stock awards, other than the performance vesting options. The agreement further provides that, if Mr. Shames purchases stock at any one time prior to February 22, 1995, he shall receive options to purchase two-times the number of shares purchased at the purchase price, up to a maximum of 100,000 option shares. Finally, the agreement provides a supplemental pension benefit beginning at age 65 of \$100,000 annually, continuing for the number of years of completed service, and for payment, upon termination by the Company other than for cause, of a minimum annual compensation of \$950,000 for three years following such termination.

Exhibit 10 (xiv)(g)

Description of Amendment to Agreement with R.J. Ventres

The Agreement with Mr. R. J. Ventres, former Chairman and CEO, which is filed with the Company's 1991 Form 10-K Annual Report, was amended on December 22, 1993 to provide that the annual compensation provided for in the Agreement would cease as of the end of April, 1994.

EX10XVII.EGB

February 25, 1993

Jon G. Hettinger
Borden, Inc.
180 East Broad Street
Columbus, Ohio

Dear Jon:

This letter will confirm our discussions concerning your decision to resign your positions with the Company, by mutual agreement. It will also serve to cover various related matters so there will be no future confusion regarding them.

1. The time between now and May 31, 1993, will serve as a notice period during which you will either take vacation or perform special assignments as requested. Commencing June 1, 1993, through May 31, 1994, you will be an employee on limited service, but will accrue no vacation rights during that period. During this notice and limited service period, you will receive your regular salary of \$15,416.67 semi-monthly (less normal deductions). Should you, prior to June 1, 1994, accept other employment or embark upon a business venture as a principal, your employment status with the Company will cease at that time but, subject to your obligations under paragraph 13 below, the payments under this paragraph 1 shall continue.

In the event that by June 1, 1994, you have not secured other employment or embarked upon a business venture as a principal, your salary and status as a limited employee will be continued until the earlier of (a) your commencement of employment; (b) your commencement of a business venture as a principal; or (c) September 1, 1994.

2. Effective immediately, you will resign your position as an officer and Executive Vice president of Borden, Inc. by signing the attached resignation letter.

Jon G. Mettinger
February 25, 1993

3. You understand that you will not participate in the annual Management Incentive plan, the 1992-94 long-term cycle or the 1993-1995 cycle. However, the stock options which you now hold will continue to be in effect until the date payments cease under paragraph 1 above, or until such earlier time as you are employed by another company.
4. The Company will extend your Core benefits until August 31, 1993, i.e., country club dues and luncheon club dues (but not expenses for non-Borden related items), and financial counseling and home/auto insurance reimbursement. Your parking privileges, medical accumulation and survivor income capital account will continue through May 31, 1993. Your umbrella insurance benefit will continue through December 31, 1993. You will assume responsibility for your car phone expenses at the beginning of its next billing cycle.
5. Your other regular employee benefits (medical, life, pension and savings plan) will continue until the earlier of the date payments cease under paragraph 1 above, or the date on which you commence other employment or commence a business venture as a principal. However, you will not be eligible for salary continuance, long-term or short-term disability after May 31, 1993.
6. As special consideration to assist you in locating a new position, and to defray the expenses you will incur for office, telephone and secretarial assistance, the Company will pay you a lump sum amount of \$12,000, as soon as practicable. In addition, you will be permitted \$10,000 for personal travel expenses or outplacement counseling in connection with a job search. Requests for reimbursement for these latter items should be submitted on a regular expense form with accompanying receipts.

You presently have Company computer equipment in your home. If the present value of that equipment is less than \$4,000, you will retain it. If the value exceeds \$4,000, the Company will provide you with computer equipment up to that value. You will promptly return to the Company all of its books, records, files, equipment or other property now in your possession.

Jon G. Hettinger
February 25, 1993

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7. You will transfer to the Company the equity in your golf memberships at the Muirfield Golf Club and the New Albany Country Club as soon as practicable, but no later than August 31, 1993. You will transfer the equity in your membership in The Golf Club as of October 1, 1994, or, if you prefer, pay to the Company its value as of that time.
8. In the event you decide to embark upon a business venture as a principal, the Company will, upon your request, pay all of the monies due you under paragraph 1 above, less \$100,000, in a lump sum. The balance of \$100,000 will be paid to you on May 31, 1994, or earlier if mutually agreed.
9. Under the Management Incentive Plan, you may have elected to defer incentive awards. Deferred awards under the Plan, if any, will be paid to you consistent with the provisions of the Plan upon the completion of your limited service.
10. You acknowledge executing a Security and Invention Agreement on May 2, 1973 (copy attached), and you agree to comply with the terms and conditions of that Agreement.
11. Because of the unusual arrangement being provided to you, we will expect and you agree, that you will conduct yourself in a manner which does not disparage Borden, Inc., its employees, officers, subsidiaries, and affiliates, and which is not contrary to the best interest of these organizations. The Company, through its Core Management and officers, will not disparage you. This obligation will not be construed to prohibit the Company from making truthful statements about its business; nor shall it prohibit you from making truthful statements responsive to any statements made by the Company.
12. You agree to be available, as reasonably necessary and upon reasonable notice, with no expense to yourself (expenses include transportation, meals and lodging) for legal proceedings, whether administrative, civil, or criminal, if any, which are already pending or which may arise in the future with respect to events which occurred during your employment with Borden, Inc. You further agree to assist and cooperate with Borden, Inc. in any such proceedings.

Jon G. Hettinger
February 25, 1993

13. As a former Executive Vice President and officer of Borden, Inc., your knowledge of our customers, markets and plans in all facets of the business is extensive and a valuable asset. Accordingly, you agree that until August 31, 1994, you will not engage, without prior written consent of the Chief Executive Officer (not to be unreasonably withheld), directly or indirectly on your own account, or as agent, employee, partner, major stockholder or otherwise, in any of the following activities with respect to any product or service sold by Borden, Inc., its subsidiaries or affiliates (hereinafter "the Company") in any unit in which you were employed or for which you had any responsibility during the past two (2) years, or any product or service similar to, competitive with, or intended to compete with any product or service:
- a) Sell, manufacture, distribute or solicit orders for any such product or service in any geographical area for which you were responsible as a representative of the Company at any time during the two (2) years preceding this agreement or engage in any such activities in any other area where they result in or involve the shipment or delivery of such product to, or performance of such service in, any geographical area in which you acted as an employee of the Company at any time during such two (2) year period.
 - b) In any geographical area, solicit, sell or contact with a view to selling, any such product or service, any person, firm or corporation from whom you solicited any order directly or indirectly or otherwise dealt with on behalf of the Company at any time during the two (2) year period set forth above.
14. This agreement is personal and not assignable by you. In the event of your death during the term hereof, this agreement shall terminate as of the last day of the month during which your death occurred and your designated beneficiary, which may be a trust, or if none is so designated, your estate will be paid all monies due up through the month of your death, and, in addition, the balance of any of the pay due as noted in paragraph 1 above. If that death occurs while you are still in an "employee" status, your widow would be entitled to the benefits applicable to widows under the benefit plans in which you are participating at the time of your death.

Jon G. Hettinger
February 25, 1993

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15. In the event of a material breach of your obligation not to compete under this agreement you understand and agree to pay to Borden, Inc., any monies received under this agreement up to \$400,000, and acknowledge that no further sums would be due hereunder. This remedy is in addition to any remedy Borden, Inc. has to specifically enforce your agreement and is not to be construed as a limitation on its right to recover any greater amount of damage Borden can prove.
16. We agree that this agreement and its attachments supersedes any and all other agreements relating to your employment with the Company including, but not limited to, your Core Arrangement, Team Agreement and Supplemental Benefits Agreement. This agreement shall be governed by the laws of the State of Ohio and shall inure to the benefit of the successors and assigns of Borden, Inc. Any provision of the agreement deemed by a court to be too broad to be legally enforced shall be modified but only to the extent required to be so legally enforceable.
17. In consideration of these foregoing benefits provided to you, you hereby release and discharge Borden, Inc., its subsidiaries and affiliates, their officers, employees and agents from any and all current liabilities, claims for money, employment, re-employment, reinstatement and for any and all causes of action whatsoever which you may now have against them including those arising out of your employment, the termination thereof, or discrimination based on age, disability, race, sex or other reasons, except any vested pension rights which you may have acquired or as specifically noted herein; provided, however, that this release shall not be construed to prevent you from pursuing any rights you may have under the terms of any employee benefit plan to which you are a party and under ERISA; any rights you have to COBRA benefits; any rights you have to unemployment compensation; and any rights you have to enforce the terms of this letter.
18. You affirm that you are entering into this agreement and release voluntarily in order to receive payments and other benefits described above. You understand that the Company would not make these payments or extend these benefits to you without your voluntary consent to this agreement.
19. In making your decision, you recognize that you have the right to seek advice and counsel from others, including that of an attorney if you so choose. You acknowledge that you have 21 days within which to consider this offer.

Jon G. Hettinger
February 25, 1993

20. You have seven calendar days from the date you sign this Agreement to cancel it in writing. You also understand that this Agreement will not bind you or the Company until after the seven-day period you have to cancel. No payments will be made under this Agreement until it becomes binding. You may cancel this Agreement by signing the cancellation notice below (or by any other written signed notice) and delivering it to Borden, Inc. within seven days of your signing this Agreement.

I believe that this completely and accurately describes our understanding and ask that you indicate your agreement by signing the original of this letter and returning it to me. I wish you every success in your future endeavors.

For: Borden, Inc.

By: _____
A. S. D'Amato

Attachment

READ, UNDERSTOOD AND AGREED:

Jon G. Hettinger

DATE

CANCELLATION NOTICE

(To cancel this Agreement, sign below and deliver this copy of the Agreement to the Company within seven (7) days of the date you signed the Agreement.)

I hereby cancel this Agreement.

(Date)

(Signature).

Exhibit 10(xiv)(j)

B O R D E N, I N C.

December 23, 1993

George J. Waydo
Borden, Inc.
180 East Broad Street
Columbus Ohio

Dear George:

This letter will confirm our mutual agreement concerning your continued employment and future termination. It will also serve to cover various related matters so there will be no future confusion regarding them.

1. Effective immediately, you are relieved of your Snacks and International Foods day-to-day responsibilities. Your new title will be Vice President, Borden, Inc. In this new position, which reports directly to the President, Chief Executive Officer, your primary responsibility will be to sell Borden Japan, and you will diligently devote your efforts to this project. You may also be assigned responsibility for other International portfolio actions, or other special assignments.
2. You will continue in these assignments through April 30, 1994. These assignments may, by mutual consent, be extended. If no extension is made, your termination date will be April 30, 1994. Your employment may not be terminated prior to that date for any reason other than for "cause" and your employment shall be deemed to have been terminated for "cause" only if termination of employment by the Company shall have taken place as a direct result of an act or acts (i) of dishonesty constituting a felony and resulting or intended to result directly or indirectly in gain or personal enrichment at the expense of the Company to which you are not legally entitled, (ii) such as to cause intentional material harm to the Company, (iii) materially impairing the reputation of the Company, (iv) materially interfering with the operations of the Company, or (v) that materially breach this agreement.

George J. Waydo
Page 2.

Anything in this paragraph 2 or elsewhere in this agreement to the contrary notwithstanding, your employment shall in no event be considered to have been terminated by the Company for "cause" if termination of your employment took place (i) as the result of bad judgement or an act of ordinary negligence on your part, (ii) because of an act or omission believed by you in good faith to have been in or not opposed to the interests of the Company, or (iii) because of an act or omission in respect of which a determination could properly be made that you met the applicable standard of conduct prescribed for indemnification or reimbursement or payment of expenses under (A) the by-laws of the Company, (B) the laws of the State of New Jersey, or (C) the directors' and officers' liability insurance of the Company, in each case either as in effect at the time of this agreement or in effect at the time of such act or omission.

To aid you during this four-month assignment, and any subsequent extension, you will have the assistance of Ms. Judy Moehl and, the time of Mr. Michael Miller necessary to work on the Japan project only. Mr. Miller will otherwise report to Mr. Dan O'Riordan. If either of these employees should transfer or terminate during the four months or extended period, we will provide comparable skilled assistance. You may continue to use your present office during this period, plus any authorized extension of employment.

3. Following termination, you will be paid all monies due you from your Medical and Survivor Accumulation Accounts, and your Executive Supplemental Pension Plan, in accordance with those plans. To assist you in understanding this agreement a schedule of your estimated benefit amounts is attached. Parking privileges, will be extended 3 months following termination. Reimbursement on any unpaid 1994 financial counselling, regular club dues for the Columbus Athletic Club and the Catawba Island Club, and home/auto insurance is available to you through December 31, 1994. You agree to then return these club memberships/sale receipts to Borden, Inc. promptly after December 31, 1994. Your umbrella insurance benefit will continue through December 31, 1994.

Borden, Inc. will provide you with notice and termination pay totaling \$352,000. Payments will be at the gross rate of \$14,667 semi-monthly for 12 months following termination. Statutory taxes and deductions for any monies due Borden, Inc. will be made from these payments.

George J. Waydo
Page 3.

In the event you embark upon a business venture as a principal, the Company will, upon your request, pay any remaining monies due you under this paragraph 3 in a lump sum less \$50,000. The balance of \$50,000 will be paid to you on the last day of your severance period, i.e. April 30, 1995 if your employment is not extended.

4. Effective immediately, you will resign your position as an officer of Coco Lopez U.S.A., Inc.
5. You understand that you will not participate in the annual Management Incentive Plan, the 1992-94 long-term cycle or the 1993-95 cycle, unless your active employment is extended through December 31, 1994.
6. Your other regular employee benefits (medical, life, pension and savings plan) will cease on your termination date except that, if you wish, Borden will extend your active medical/dental coverage only, including prescription drugs, for 12 months, at normal contributions. You would then be eligible for COBRA for an additional six months. At that time you would be eligible to convert to the conversion policies then offered to terminating employees generally.

We are agreeable, as an option to this medical extension which you must elect prior to your termination date, to pay Metropolitan Life Insurance Corporation up to \$30,000 to convert you to a private medical plan similar to Borden's, if such a conversion plan is available upon your termination. In such event, you would be responsible to make necessary premium payments following the conversion. The proposed policy provides that it will be renewed until the earliest of: (a) the Medicare eligibility date of you or your spouse whoever is younger; (b) that person's 65th birthday; or (c) the date Metropolitan refuses to renew this policy. Metropolitan cannot refuse renewal on an individual basis. Metropolitan can refuse renewal only on a class basis or on a statewide basis. If Metropolitan refuses to renew your policy, however, they will continue to pay benefits for a total disability that started before the termination date until the earliest of: (a) the end of the disability, (b) the end of the calendar year, or (c) the date the Maximum Aggregate Benefit (\$1,000,000) is incurred.

George J. Waydo
Page 4.

In the event you become disabled while under your present disability plans and prior to your termination date, any monies paid you as Salary Continuance and Long-Term Disability will be deducted from the notice and termination pay described above.

7. As special consideration to assist you with travel expense in locating a new position following termination, and to defray the expenses you will incur for office, telephone and secretarial assistance, the Company will reimburse you on an accountable basis for job search costs. Requests for reimbursement for these items should be submitted on a regular expense form with accompanying receipts. As further consideration to you, Borden, Inc. will provide additional monies to you in the form of cash or benefits to include but not be limited to such categories as career-testing, training, relocation, outplacement firm assistance, medical/dental payments, or additional notice pay. Where required by law, statutory deductions will be made from these monies. The total for these reimbursements, cash or benefits under this paragraph 7 will not exceed \$50,000 over 30 months from date of termination.
8. You have until your termination date to exercise eligible stock options within the terms of the options.
9. Under the Management Incentive plan, you may have elected to defer incentive awards. Deferred awards under the plan, if any, will be paid to you consistent with the provisions of the Plan.
10. You acknowledge executing a Security and Invention Agreement, and you agree to comply with the terms and conditions of that Agreement.
11. Because of the unusual arrangement being provided to you, we will expect and you agree, that you will conduct yourself in a manner which does not disparage Borden, Inc., its employees, officers, subsidiaries, and affiliates, and which is not contrary to the best interest of these organizations. The Company, through its Core Management and officers, will not disparage you. This obligation will not be construed to prohibit the Company from making truthful statements about its business; nor shall it prohibit you from making truthful statements responsive to any statements made by the Company or in response to legal process.
12. You agree to be available, as reasonably necessary and upon reasonable notice, with no expense to yourself, for legal proceedings, whether administrative, civil or criminal, if any, which are already pending or which may arise in the future with respect to events which occurred during your employment with Borden, Inc. You further agree to assist and cooperate with Borden, Inc. in any such proceedings.

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13. As a former Executive Vice President and officer of Borden, Inc., your knowledge of our customers, markets and plans in all facets of the business is extensive and a valuable asset. Accordingly, you agree that for 12 months following your termination, you will not engage, without prior written consent of the Chief Executive Officer (not to be unreasonably withheld), directly or indirectly on your own account, or as agent, employee, partner, major stockholder or otherwise, in any of the following activities with respect to any product or service sold by Borden, Inc., its subsidiaries or affiliates (hereinafter "the Company") in any unit in which you were employed or for which you had responsibility during the past two (2) years, or any product or service similar to, competitive with, or intended to compete with any product or service:
- a) Sell, manufacture, distribute or solicit orders for any such product or service in any geographical area for which you were responsible as a representative of the Company at any time during the two (2) years preceding this agreement or engage in any such activities in any other area where they result in or involve the shipment or delivery of such product to, or performance of any service in, any geographical area in which you acted as an employee of the Company at any time during such two (2) year period.
 - b) In any geographical area, solicit, sell or contact, with a view to selling any such product or service, any person, firm or corporation from whom you solicited any order directly or indirectly or otherwise dealt with on behalf of the Company at any time during the two(2) year period set forth above.
14. This agreement is personal and not assignable by you. In the event of your death during the term hereof, this agreement shall terminate as of the last day of the month during which your death occurred and your designated beneficiary (which may be a trust, or if none is so designated, your estate) will be paid all monies due up through the month of your death and, in addition, the balance of any of the pay due as noted in paragraph 3 above. If that death occurs while you are still in an "employee" status, your widow would be entitled to the benefits applicable to widows under the benefits plans in which you are participating at the time of your death.

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15. In the event of a material breach of your obligation not to compete under this agreement, you understand and agree to pay to Borden, Inc., any monies received under this agreement up to \$400,000, and acknowledge that no further sums would be due you hereunder. This remedy is in addition to any remedy Borden, Inc. has to specifically enforce your agreement and is not to be construed as a limitation on its right to recover any greater amount of damage Borden can prove.
16. We both agree that this agreement and its attachments supersedes any and all other agreements relating to your employment with the Company including, but not limited to, your Core Arrangement (dated March 15, 1988), Team Agreement and Supplemental Benefits Agreement. This agreement shall be governed by the laws of the State of Ohio and shall inure to the benefit of the successors and assigns of Borden, Inc. Any provision of the agreement deemed by a court to be too broad to be legally enforced shall be modified but only to the extent required to be so legally enforceable. If during your continued active employment any individual or group acquires 15% of the Common Stock of the Company (excluding for this purpose any acquisition of such Common Stock by the Company) and such stock is held for 30 days, the CEO, solely at his discretion, and based on your performance relative to selling Borden Japan, may permit you to qualify for the employment extension arrangement outlined in 2 (a) of your cancelled Core Arrangement letter dated March 15, 1988.
17. In consideration of these foregoing benefits provided to you, you hereby release and discharge Borden, Inc., its subsidiaries and affiliates, their officers, employees and agents from any and all current liabilities, claims for money, employment, re-employment, reinstatement and for any and all causes of action whatsoever which you may now have against them including those arising out of your employment, the termination thereof, or discrimination based on age, disability, race, sex or other reasons, except any vested pension rights which you may have acquired; provided, however, that this release shall not be construed as preventing you from pursuing any rights you have to enforce the terms of this agreement.
18. You affirm that you are entering into this agreement and release voluntarily in order to receive payments and other benefits described above. You understand that the Company would not make these payments or extend these benefits to you without your voluntary consent to this agreement.
19. In making your decision, you recognize that you have the right to seek advice and counsel from others, including that of an attorney if you so choose. You acknowledge that you have until January 28, 1994 to consider this offer.

BORDEN, INC.
 RATIO OF EARNINGS TO FIXED CHARGES

 (IN MILLIONS)

	FOR THE YEAR ENDED DECEMBER 31,				
	1993	1992	1991	1990	1989
	-----	-----	-----	-----	-----
(LOSS) INCOME FROM CONTINUING OPERATIONS	\$ (56.9)	\$ (38.7)	\$ 279.9	\$ 291.5	\$ (39.3)
INTEREST EXPENSE	125.1	116.6	167.0	155.5	128.8
INTEREST PORTION OF RENTS	22.0	21.5	22.2	20.9	19.7
TAXES ON INCOME	(27.2)	14.2	151.3	168.8	76.0
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	40.7	39.7	2.8	2.8	.8
UNDISTRIBUTED INCOME OF EQUITY AFFILIATES	(11.3)	(8.7)	(17.4)	(12.4)	(4.0)
AMORTIZATION OF CAPITALIZED INTEREST	4.6	4.4	4.7	4.3	4.2
	-----	-----	-----	-----	-----
	\$ 97.0	\$ 149.0	\$ 610.5	\$ 631.4	\$ 186.2
	=====	=====	=====	=====	=====
GROSS INTEREST:					
INTEREST EXPENSE	\$ 125.1	\$ 116.6	\$ 167.0	\$ 155.5	\$ 128.8
CAPITALIZED INTEREST	1.2	3.1	9.8	4.5	2.2
INTEREST PORTION OF RENTS	22.0	21.5	22.2	20.9	19.7
	-----	-----	-----	-----	-----
	\$ 148.3	\$ 141.2	\$ 199.0	\$ 180.9	\$ 150.7
	=====	=====	=====	=====	=====
RATIO OF EARNINGS TO FIXED CHARGES	*	1.1:1	3.1:1	3.5:1	1.2:1
	=====	=====	=====	=====	=====

* For the year ended December 31, 1993, fixed charges exceeded earnings by \$51.3 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

In December 1993 the Company recorded a pretax charge of \$752.3 million to provide for a business divestiture and restructuring program. The program involves the divestment of North American snacks, seafood, jams and jellies, and other businesses not specified for competitive reasons, for which a pretax charge of \$637.4 million, \$490.0 million after tax, was recorded for estimated losses on disposal. The businesses to be divested had 1993 net sales of \$1.194 billion, or 17.8% of total 1993 sales. The program also involves an organizational restructuring designed to achieve cost reductions for which a pretax charge of \$114.9 million was recorded. See the Restructuring Charges section below for further discussion.

These actions were considered necessary as a result of continued declines in operating results of the discontinued operations and the need to reduce the Company's overhead in light of the downsizing.

The operating results for the businesses being divested and the estimated losses on disposal have been segregated and reported net of tax as discontinued operations for all three years presented in the Consolidated Statements of Income.

The Company anticipates that the sale of these businesses will be completed by the end of 1994. Proceeds from the sale of the operations will be used primarily to reduce debt.

The 1993 divestment and restructuring program, which is being implemented by a largely new management team, is intended to reverse the deterioration in the Company's operating performance during recent years. Management anticipates that the divestment portion of the program will favorably impact overall 1994 and subsequent results by the elimination of losses from discontinued operations and, to a lesser extent, due to cost reductions from the restructuring portion of the program. Although there can be no assurance as to the final results of the restructuring program, 1994 results from continuing operations are expected to improve over 1993, after a marginally profitable first quarter. The success of the restructuring program will require the completion of many steps, including achieving multiple divestments at anticipated prices, reducing costs throughout the Company, and reversing the poor sales and income performance of domestic dairy and pasta. Based on early 1994 results, the franchises and cost positions of our dairy and pasta businesses appear to be strengthening. However, the economic improvement from these businesses has been less than previously anticipated.

Net assets of \$222.2 million related to the discontinued operations have been segregated in the December 31, 1993 Consolidated Balance Sheet. This amount consists primarily of working capital, property, plant and equipment, and intangibles, net of the estimated losses on disposal.

Also in fourth quarter 1993, the Company recorded a pretax charge of \$94.1 million for asset writedowns and changes in accounting estimates primarily relating to the cost of consumer and trade promotions. In addition, fourth quarter 1993 results include a pretax gain of \$14.8 million on the sale of a European packaging operation. The charge is recorded in cost of goods sold and in marketing, general and administrative expenses in the Consolidated Statement of Income, while the gain on the sale is included in other income.

In 1993 the Company adopted Statement of Financial Accounting Standard (SFAS) No. 112, "Employers' Accounting for Postemployment Benefits," retroactive to January 1, 1993. The cumulative effect of the accounting change reduced first quarter and 1993 net income by \$18.0 million, or \$.13 per share. First quarter operating results have been restated for the cumulative effect of the change. The accounting change had no significant effect on 1993 income before cumulative effect of accounting changes.

As a result of the charges and the effect of the accounting changes, the Company reported a restated 1993 net loss of \$630.7 million, or \$4.47 per share, compared to a restated 1992 net loss of \$364.4 million, or \$2.54 per share. The 1992 results include a restated pretax restructuring charge of \$377.2 million to cover costs of a companywide restructuring program.

During 1992 the Company adopted SFAS No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" and No. 109 "Accounting for Income Taxes." These accounting changes reduced 1992 net income before the cumulative effect of accounting changes by \$8.1 million, or \$.06 per share. The cumulative effect of the accounting changes as of January 1, 1992 reduced 1992 net income by \$229.0 million, or \$1.60 per share.

Net income for 1991 was \$294.9 million, or \$2.00 per share, and included a restructuring charge of \$71.6 million, \$44.0 million after tax, or \$.30 per share.

RESTATEMENT AND RECLASSIFICATION

Following communications with the Securities and Exchange Commission concerning the 1992 restructuring charge, the Company has reclassified and restated \$264.8 million of the 1992 restructuring charge. Of this amount, \$145.5 million was reclassified from restructuring into operating expense in the 1992 financial statements and had no effect on the net 1992 results of operations. The reclassification included marketing, environmental and litigation accruals and asset writeoffs. The remaining \$119.3 million was reversed to 1992 income. It included \$59.8 million of business integration, marketing and data system reorganization costs which were recorded as 1993 expenses and \$59.5 million of 1992 restructuring programs that have been cancelled.

In connection with the 1992 restatement, a loss of \$17.2 million, \$10.8 million after tax, relating to debt retirement costs was reclassified out of restructuring and presented as an extraordinary item.

As a result of the restatement the 1993 net loss increased \$37.1 million, or \$0.26 per share, and the 1992 net loss decreased \$75.2 million, or \$0.53 per share, \$86.0 million, or \$0.60 per share, before extraordinary item, as compared to the originally reported results. Shareholders' equity increased by \$38.1 million and \$75.2 million at December 31, 1993 and 1992, respectively.

RESTRUCTURING CHARGES

Following is a schedule of restructuring reserve balances at the end of the last three years by major component and the amounts charged to income:

(In millions)	Charge to Income	Balances at December 31,		
		1993	1992	1991
1993 RESTRUCTURING:				
Business				
Re-engineering	\$ 90.6	\$ 89.0		
Business Divestitures	16.3	16.3		
Closure and Consolidation				
	8.0	8.0		
	-----	-----	-----	-----
	114.9	113.3	0.0	0.0
	-----	-----	-----	-----
1992 RESTRUCTURING:				
Business				
Re-engineering	46.4	6.8	\$ 44.1	
Business Divestitures	161.5	11.8	71.7	
Closure and Consolidation				
	169.3	14.0	73.6	
	-----	-----	-----	-----
	377.2	32.6	189.4	0.0
	-----	-----	-----	-----
1991 RESTRUCTURING:				
Business				
Re-engineering	27.8			\$ 14.0
Closure and Consolidation				
	43.8			11.0
	-----	-----	-----	-----
	71.6	0.0	0.0	25.0
	-----	-----	-----	-----
Total Reserves	\$563.7	\$145.9	\$189.4	\$ 25.0
	=====	=====	=====	=====

The 1993 restructuring charge of \$114.9 million consists of three parts. The business re-engineering is primarily \$76.5 million of severance and other personnel costs relating to the reduction of approximately 1,800 employees as a result of an administrative downsizing. Additionally, it includes \$14.1 million to reorganize dairy operations by closing certain administrative centers and writing off certain assets. Business divestitures represents an increase in the estimated costs to divest an international operation which was provided for in the 1992 restructuring reserve. The change in estimate for this divestiture is primarily related to the additional time required to dispose of the operation which is now expected to occur in mid-1994 and recent unfavorable exchange rates. Closure and consolidation costs of \$8.0 million were provided for the expected loss on divestiture of a small operation.

The 1992 restructuring charge of \$377.2 million, includes \$79.4 million related to discontinued operations which is included in the loss from discontinued opera-

tions in the Consolidated Statements of Income. The charge includes changes in estimates of \$19.8 million for idle property and workers' compensation costs associated with locations closed in the 1989 and 1991 restructuring reserves. The 1992 reserve has a balance of \$32.6 million at December 31, 1993. The \$6.8 million reserve balance for business re-engineering costs represents relocation costs for personnel, while the charges of \$37.3 million in 1993 were comprised of data system write-offs, personnel relocation costs, packaging write-offs and packaging standardization. The business divestitures balance of \$11.8 million is related to final costs associated with the divestitures of Deran, Laura Scudder's, Southwest Snacks and an international operation. Business divestiture charges of \$59.9 million in 1993 primarily related to these divestitures and to the operating losses of an international operation which is being sold as part of the 1992 restructuring program and is expected to be sold in 1994. The \$14.0 million balance for closures and consolidations relates to several facilities which are in the process of being closed. The 1993 charges totaled \$59.6 million and relate to closures of individual facilities, carrying costs of property held for sale and workers' compensation claims for closed facilities. All of the 1992 restructuring charges will be completed during 1994.

The 1991 restructuring charge of \$71.6 million, of which \$4.4 million relates to discontinued operations, had a balance of \$25.0 million at December 31, 1991. This program, which was completed in 1992, covered business reorganization costs, as well as severance, relocation and other employee-related expenses.

Cash spending in 1993 relating to the 1993 and 1992 restructuring programs was \$62.4 million. The 1993 pretax income benefit from the 1992 restructuring approximated the amount of spending. Cash spending in 1993 of \$10.8 million related to discontinued operations and will produce no future income benefits. Of the remaining \$113.3 million 1993 reserve, \$98.3 million represents cash charges, the majority of which are expected to be incurred in 1994. Personnel and related costs are expected to be reduced in excess of \$75.0 million annually beginning in late 1994 because of the employee terminations from the 1993 and 1992 restructuring programs. There are no significant offsetting expenses to these savings.

RESULTS OF CONTINUING OPERATIONS

A three year comparison of division sales and operating income is presented on page 21.

Net sales in 1993 decreased 6.2% to \$5.506 billion from \$5.872 billion in 1992. Net sales in 1992 decreased 0.9% from \$5.924 billion in 1991.

The 1991-1993 restructuring charges are allocated by division as follows:

(In millions)	1993	1992	1991
North American Foods	\$ 22.1	\$ 161.5	\$ 29.8
International Foods	16.3	54.2	18.9
Packaging and Industrial Products		55.0	12.5
	-----	-----	-----
	38.4	270.7	61.2
Not allocable to divisions	76.5	27.1	6.0
	-----	-----	-----
	114.9	297.8	67.2
Income tax effect	37.5	65.0	26.0
	-----	-----	-----
Charges, net of tax	\$77.4	\$ 232.8	\$ 41.2
	=====	=====	=====

The loss from continuing operations was \$56.9 million in 1993 and \$38.7 million in 1992, versus income of \$279.9 million in 1991. Excluding the charges, income from continuing operations was \$20.5 million, \$194.1 million and \$321.1 million in 1993, 1992 and 1991, respectively.

Division operating income included pretax restructuring charges of \$38.4 million, \$270.7 million and \$61.2 million in 1993, 1992 and 1991, respectively. 1993 division operating income decreased 17.0% to \$194.3 million from \$234.0 million in 1992, while 1992 decreased 61.9% from \$614.7 million in 1991. Excluding the charges, 1993 operating results decreased 53.9% and 1992 results decreased 25.3% from the respective prior years.

A significant portion of the Company's operating income is generated by foreign operations and can be affected by currency fluctuations. Most of this exposure is attributable to the translation of income generated by these foreign operations in their functional currency; functional currency operating results are not hedged. When appropriate, the Company will hedge cash flow transaction exposures, including hedging of cash flows related to exports or imports denominated in currencies different from the functional currency of the operating unit.

The effect of changes in foreign currency exchange rates adversely impacted sales and division operating income in 1993 compared to 1992. Had exchange rates remained unchanged from the prior year, sales and operating income in 1993 would have been approximately \$140 million and \$30 million higher, respectively. The effect of changes in foreign currency exchange rates was not significant when comparing 1992 to 1991 results.

THREE YEAR COMPARISON OF DIVISION SALES AND OPERATING INCOME

(Dollars in millions)	Year Ended December 31,		1993		1992		1991	
<hr/>								
DIVISION SALES								
North American Foods	\$2,671.5	48%	\$3,039.0	52%	\$3,085.9	52%		
International Foods	930.4	17	951.9	16	967.0	16		
Packaging and Industrial Products	1,904.4	35	1,880.8	32	1,871.2	32		
	-----	---	-----	---	-----	---		
Total	\$5,506.3	100%	\$5,871.7	100%	\$5,924.1	100%		
	=====	===	=====	===	=====	===		
DIVISION OPERATING INCOME (LOSS)								
North American Foods	\$ (24.4)	(12)%	\$ 49.8	21%	\$ 337.3	55%		
International Foods	51.0	26	41.8	18	90.5	15		
Packaging and Industrial Products	167.7	86	142.4	61	186.9	30		
	-----	---	-----	---	-----	---		
Total	194.3	100%	234.0	100%	614.7	100%		
	=====	===	=====	===	=====	===		
Discontinued operations, net of tax	(555.8)		(85.9)		15.0			
Other income and expense not allocable to divisions and income taxes	(269.2)		(512.5)		(334.8)			
	-----		-----		-----			
Net income (loss)	\$ (630.7)		\$ (364.4)		\$ 294.9			
	=====		=====		=====			
<hr/>								

See Management's Discussion and Analysis--Results of Continuing Operations for restructuring charges included in division operating income.

During 1993 the Company was reorganized into three operating divisions: North American Foods, International Foods, and Packaging and Industrial Products. North American Foods is comprised of niche grocery, pasta and sauce, and dairy products, while International Foods includes international milk powder, European bakery products and several European grocery and pasta businesses. Packaging and Industrial Products includes primarily wallcoverings, adhesives and resins, and plastic films and packaging.

North American Food's 1993 sales decreased 12.1% to \$2.672 billion from \$3.039 billion in 1992 due primarily to volume declines in fluid milk, ice cream and pasta; the divestitures of Laura Scudder's, Southwest Snacks and Deran candy; and decreases in most niche grocery products. The volume declines were due to increased competition from low-priced branded and private label products, the adjusting of promotions to reduce "trade loading," as well as pricing and customer service issues in dairy and pasta, respectively. Operating results decreased to a loss of \$24.4 million compared to operating income of \$49.8 million in 1992. These amounts include charges of \$22.1 million in 1993 and \$161.5 million in 1992. Excluding both charges, 1993 operating income decreased substantially compared to 1992 primarily as a result of volume declines and higher raw milk, cream and wheat costs which could not be fully recovered in product pricing due to the competitive environment.

The Division's 1992 sales decreased 1.5% from \$3.086 billion in 1991 primarily as a result of the MCP Foods divestiture and decreased Canadian sales, partially offset by increased fluid milk sales. Operating income in 1992 decreased 85.2% from \$337.3 million in 1991. Operating income in 1991 included a \$29.8 million charge. Excluding the 1992 and 1991 charges, operating income decreased 42.4% compared to 1991, due to higher raw milk costs, strong price competition from private label and regional milk processors, declines in Canadian operations and higher raw material costs for pasta, partially offset by improvements in several niche grocery products.

International Foods 1993 sales decreased 2.3% to \$930 million from \$952 million in 1992. However, excluding acquisitions and divestitures, sales increased slightly as a result of increases in international milk powder, partially offset by decreases in the European grocery and pasta businesses. Operating income increased 22.0% to \$51.0

million from \$41.8 million in 1992. Operating income in 1993 and 1992 includes a \$16.3 million and \$54.2 million charge, respectively. Excluding both charges, 1993 operating income decreased 29.9% from 1992 as a result of the negative impact of foreign exchange rate fluctuations as well as declines in the European grocery and pasta, and Puerto Rican businesses. The effect of foreign exchange rate fluctuations negatively impacted 1993 operating income by 13.4%.

The Division's 1992 sales decreased 1.6% from \$967 million in 1991 as a result of the divestitures of the Sooner and Crespan snacks businesses, partially offset by increases in international milk powder and European bakery products. Operating income in 1992 decreased 53.8% from \$90.5 million in 1991. Operating income in 1991 included an \$18.9 million charge. Excluding the 1992 and 1991 charges, operating income decreased 12.2% compared to 1991, due primarily to the Sooner and Crespan divestitures as well as declines in international milk powder.

Packaging and Industrial Product's 1993 sales increased 1.3% to \$1.904 billion from \$1.881 billion in 1992 primarily as a result of increases in the North American operations of forest products adhesives, resins and wallcoverings, partially offset by decreases in most of the European businesses. Operating income increased 17.8% to \$167.7 million from \$142.4 million in 1992. Operating income in 1992 includes a \$55.0 million charge. Excluding the charge, 1993 operating income decreased 15.0% compared to 1992 as a result of the negative impact of foreign exchange rate fluctuations and the continuing effects of the European recession on European packaging and resins, partially offset by improvements in North American adhesives and resins and worldwide wallcoverings. The effect of foreign exchange rate changes negatively impacted 1993 operating income by 9.6%.

The Division's 1992 sales increased 0.5% from \$1.871 billion in 1991 primarily as a result of increases in worldwide wallcoverings, forest products adhesives and industrial resins, offset by the divestiture of the Lambiotte and TRL specialty adhesives businesses in France. Operating income in 1992 decreased 23.8% from \$186.9 million in 1991. Operating income in 1991 included a \$12.5 million charge. Excluding the 1992 and 1991 charges, operating income decreased 1.0% compared to 1991 as declines in North American plastic film and packaging and decreased income from Borden Chemicals and Plastics Limited Partnership were mostly offset by improvements in Latin American operations, forest products adhesives and industrial resins.

Interest expense in 1993 increased as a result of increased average debt levels. Interest expense in 1992 decreased from the prior year due to lower average debt levels and lower interest rates. Minority interest recorded in the income statement increased in 1992 as a result of the limited partner interest in T.M.I. Associates, L.P., a limited partnership in which the Company has a 77.28% general partner interest, being included for a full year as compared to a short period in 1991.

An income tax benefit of \$27.2 million was recorded in 1993 compared to expenses of \$14.2 million in 1992 and \$151.3 million in 1991. The low effective tax rate in both 1993 and 1992 reflects certain restructuring expenses with reduced tax benefits. In August 1993 the passage of the Omnibus Budget Reconciliation Act of 1993 increased the statutory corporate tax rate to 35%. This increase had an immaterial impact on the provision for income taxes.

The 1993 income tax benefit from continuing operations, discontinued operations and loss on disposal of discontinued operations was \$210.8 million. An \$11.0 million tax benefit was also recorded with the adoption of SFAS No. 112 and \$6.4 million with the extraordinary loss on debt retirement. The net deferred tax asset at December 31, 1993 was \$222.3 million. In order to realize the net deferred asset the Company will need to generate approximately \$635.0 million of future taxable income before the expiration of the carryforward periods. The deferred tax benefits are expected to be fully utilized through the benefits which the divestiture and restructuring program will have on future operating results. Currently, there are no operating loss carryforwards for domestic income tax purposes, and future carryforwards which arise will have a 15 year life from the year of the loss.

RESULTS OF DISCONTINUED OPERATIONS

Net sales for discontinued operations decreased 6.1% in 1993 to \$1.194 billion from \$1.271 billion in 1992 primarily as a result of decreases in North American snacks. Losses from discontinued operations in 1993 were \$65.8 million compared to \$85.9 million in 1992. Results for 1992 included a \$50.4 million after tax charge for restructuring. Excluding the 1992 charge, 1993 results declined primarily as a result of volume declines and price discounting caused by competitive pressures in North American snacks. Net sales in 1992 decreased 3.1% from \$1.311 billion in 1991 primarily as a result of

decreases in North American snacks. Income from discontinued operations was \$15.0 million in 1991. Excluding the 1992 charge and a 1991 after tax charge of \$2.8 million, the 1992 loss from discontinued operations was \$35.5 million compared to income of \$17.8 million in 1991. The decrease was primarily the result of intense price competition and heavy promotional spending in North American snacks and declines in clam products.

FINANCIAL POSITION

The Company's financial position was impacted by several events in 1993. Equity was reduced by the accruals for the loss on disposal of discontinued operations, restructuring, changes in accounting estimates and asset writedowns, and the adoption of SFAS No. 112. However, there were no cash outlays for these charges in 1993. While most of the cash outlays for restructuring will occur in 1994, the divestment and restructuring program is expected to generate significantly greater cash than it will use. In 1994 cash flow from operations, together with capital expenditures and divestment proceeds, is projected to exceed \$400 million, subject to the successful completion of the divestment program. Equity was also reduced by \$92.3 million to record a minimum pension liability. This is a non-cash adjustment representing the excess of accumulated benefits over plan assets and accrued pension expense.

In the fourth quarter of 1993, the Company negotiated an amendment to a covenant in the T.M.I. Associates, L.P. partnership agreement which required the Company to maintain a ratio of adjusted debt to adjusted capitalization, as defined, of 60% or less. The amended covenant requires a ratio no greater than 67.5% from December 1993 through June 1994, 65.0% in September 1994 and 60.0% in December 1994. The ratio was 62.4% at December 31, 1993.

Borden borrows domestically at commercial paper rates and has credit agreements with domestic and foreign lending institutions of \$520.0 million to support commercial paper borrowings. The credit agreements bear interest, if used, at approximately the prime rate, or less, in effect at the date of use. Additional unused lines of credit totaling \$222.7 million at December 31, 1993 were available for use by foreign subsidiaries. At December 31, 1993 the Company also had available \$250.0 million in registered but unissued securities under shelf registration statements.

During 1993 and January 1994 the Company's long-term debt and commercial paper ratings were downgraded to BBB and A-2 by Standard & Poor's and to Baa2 and P-2 by Moody's. This action marginally increased the Company's cost of borrowing but has not adversely impacted the Company's ability to borrow. If required, management believes that additional funding could be obtained at competitive rates and terms.

In order to improve its financial position, the Company cut its quarterly common stock dividend during 1993 from \$0.30 to \$0.15 and sold \$400.0 million of accounts receivable in December 1993. Proceeds from the sale were used to repay debt. The receivables were sold under terms of an agreement expiring in 1996 which enables the Company to periodically sell up to \$400.0 million of accounts receivable. In January 1994, the Company announced that the common stock dividend would be further reduced to a quarterly rate of \$0.075 per share.

The Company expects its financial position and cash flows to improve in 1994 as a result of the restructuring and divestment program and the reduction in the quarterly common stock dividend. Although the Company's current ratio at December 31, 1993 was less than 1.0 to 1, current maturities of debt can generally be refinanced, and operating and divestment cash sources are expected to be sufficient to meet the Company's other current liabilities. Current maturities of long-term debt coming due during 1994 aggregate approximately \$132 million.

As discussed in Note 6 to the financial statements, the Internal Revenue Service has proposed adjustments to the Company's income tax returns for the period 1989-1990 relating to capital losses that resulted in \$46 million of reduced income tax expense. The Company disagrees with the position of the Service, will contest the proposed adjustment and believes it has meritorious support for its position.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided from operating activities in 1993, 1992 and 1991 were \$152.3 million, \$292.9 million and \$348.8 million, respectively. Cash provided from operating activities decreased in each of the last two years due primarily to declines in operating results and spending in connection with the 1992 restructuring program. Capital expenditures decreased 38.2% from 1992 to \$177.0 million in 1993, while 1992 capital expenditures of \$286.2 million decreased 23.9% from 1991. These decreases were primarily the result of the completion in 1992 of capital expenditures relating to the 1989 reconfiguration program. Capital expenditures in 1994 are expected to approximate \$200 million.

During 1993 the Company acquired a U.S. dairy operation for a total cost of \$9.5 million. The Company acquired a bakery operation, a foodservice operation, a foundry resin operation and a rigid plastics operation in 1992 for a total cost of \$20.1 million. During 1991 the Company acquired four operations for a total cost of \$29.5 million. The 1991 acquisitions included a clam products operation, two bakery operations and a pasta operation.

Short-term debt decreased \$536.2 million in 1993. The decrease in short-term debt was primarily the result of the proceeds from the sale of receivables being used to repay commercial paper.

At December 31, 1991 the Company had \$500.5 million of short-term borrowings from the T.M.I. Associates, L.P. which were used primarily to retire commercial paper and long-term debt. During 1992 commercial paper and additional borrowings from the T.M.I. Associates, L.P. were used to further reduce long-term debt. Short-term debt increased \$255.5 million in 1992 compared to a decrease of \$310.4 million in 1991, and long-term debt decreased \$266.1 million in 1992 compared to \$244.2 million in 1991.

In 1993, 1992 and 1991 long-term debt financing provided \$274.6 million, \$45.2 million and \$223.1 million, respectively. The 1993 financing includes proceeds from a \$250.0 million issuance of 30-year, 77/8% debentures which were used primarily to repay short term commercial paper. Long-term debt financing in 1991 included proceeds from a \$200.0 million issuance of 30-year, 9.2% debentures which were used primarily to repay short-term commercial paper.

In 1992 the Company issued ten-year zero-coupon convertible bonds. The bonds issued had an aggregate value of \$235.0 million and carry an effective interest rate of 5.74%. The bonds were issued in exchange for 7 million shares of the Company's common stock which were retired. The bonds will be convertible after five years into 5.95 million common shares. In connection with this transaction, the underwriter received an option under which it will have the right to receive additional Borden shares or, at the Company's option, a cash payment if the market price of Borden stock does not meet specific targets during the fourth year the bonds are outstanding. This non-cash transaction is not reflected in the amounts above or in the Consolidated Statement of Cash Flows.

DESCRIPTION OF BUSINESS AND BUSINESS SEGMENTS

Borden is engaged primarily in manufacturing, processing, purchasing and distributing a broad range of products. The Company's operations are divided into two major industry segments: the foods segment, and the non-food consumer and industrial segment. Borden management is organized into three operating divisions: North American Foods, International Foods, and Packaging and Industrial Products. Corporate departments provide certain centralized services for all operating units. The Company's executive and administrative offices are located in Columbus, Ohio. Production facilities are located throughout the United States and in many foreign countries. Certain businesses included in the discussions below have been selected for divestiture.

The foods segment currently includes the following businesses: pasta and pasta sauces, bakery products, processed cheese, individual portion and foodservice sized condiments, salty snacks, sweetened condensed milk, non-dairy creamer, reconstituted lemon and lime juices, bouillon, confections, jams and jellies, seafood, dehydrated soups, homogenized milk, whole milk powder, ice cream, sherbet, yogurt, cottage cheese, frozen novelties, low-fat dairy products, milk-based products for foodservice trade, and fruit drinks.

The non-food consumer and industrial segment currently includes wallcoverings, consumer adhesives, transparent wrapping film, adhesives for the forest products industry, foundry and industrial resins, and flexible and rigid packaging.

Domestic products for the foods segment are marketed primarily through food brokers and distributors, and to a lesser extent, directly to wholesalers, retail stores, foodservice businesses, food processors, institutions and governmental agencies. Domestic products for the non-food consumer and industrial segment are sold throughout the United States to industrial users and, in the case of consumer products, by in-house and independent sales forces to distributors, wholesalers, jobbers and retailers. To the extent practicable, international distribution techniques parallel those used in the United States. However, raw materials, production considerations, pricing competition, government policy toward industry and foreign investment, and other factors may vary substantially from country to country for both industry segments.

The Company's businesses in both industry segments must deal with intense competition on local and national levels, both in the United States and in foreign markets. Total advertising and promotion expense in support of Borden products was \$735.5 million in 1993, \$698.0 million in 1992 and \$603.3 million in 1991.

The primary raw materials used by the foods segment businesses are milk, flour, potatoes, corn, vegetable oils and tomato products. The primary raw materials used by the non-food consumer and industrial segment businesses are polyvinyl chloride resins, methanol, phenol and formaldehyde. Raw materials are generally available from numerous sources in sufficient quantities but are subject to price fluctuations which cannot always be passed on to the Company's customers. Long-term purchase agreements are used in certain circumstances to assure availability of adequate raw material supplies at guaranteed prices.

Research and development expenditures were \$31.9 million in 1993, \$30.8 million in 1992 and \$30.3 million in 1991. The development and marketing of new food and packaging and industrial products are carried out at the division level and integrated with quality controls for existing product lines.

Working capital for both segments is generally funded through operations or short-term borrowings.

A breakdown of the Company's sales, operating profit and other information between the foods and non-food consumer and industrial business segments is presented on page 26.

Segment operating profit is total revenue less operating expenses. In computing segment operating profit, none of the following items have been deducted from revenue: general corporate expenses, interest expense and Federal, state and local income taxes.

Identifiable assets by segment are those assets that are used in the segment's continuing operations. Corporate assets consist primarily of cash and equivalents, prepaid expenses and fixed assets.

As of December 31, 1993 the Company operated 75 domestic food manufacturing and processing facilities in 34 states and Puerto Rico. The most significant of these facilities are an Illinois plant producing Cracker Jack, bouillon and dehydrated soup; an Alabama plant producing Bama jams and jellies and RealLemon lemon juice; the Arizona, Massachusetts, Michigan, Minnesota, and Missouri pasta plants; the California, Pennsylvania and Mississippi foodservice plants; the Missouri and Pennsylvania snacks plants; and dairy facilities located in much of the country. In addition, the Company operated 48 foreign food manufacturing and processing facilities located principally in Canada, Latin America and Western Europe.

As of December 31, 1993 the Company operated 38 domestic non-food consumer and industrial manufacturing and processing facilities in 20 states, the most significant being the Resinite plants in Georgia, Massachusetts and Texas; the Proponite plant in Massachusetts; the forest products adhesives plants in Oregon and North Carolina; and a specialty resins plant in Kentucky. In addition, the Company operated 58 foreign non-food consumer and industrial manufacturing and processing facilities located principally in Brazil, Canada, the Far East and Western Europe.

The Company's manufacturing and processing facilities are generally well maintained and effectively utilized. Substantially all facilities are owned by the Company.

ENVIRONMENTAL

Borden is actively engaged in complying with environmental protection laws, as well as various Federal and state statutes and regulations relating to manufacturing, processing and distributing its many products. In this connection, the Company incurred capital expenditures of \$4.3 million in 1993 compared to \$16.6 million in 1992 and \$11.3 million in 1991. The Company estimates that it will spend \$10.9 million for environmental control facilities during 1994.

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) or similar state environmental laws, the Company has potential liability, along with a large number of others, at various waste sites designated for cleanup. The Company believes the realistic range of liability under CERCLA and other environmental statutes and regulations, taking into account its established accruals for estimated liability, would not have a material adverse effect on the Company's financial position or operating results.

BUSINESS SEGMENTS

(In millions)		Year Ended				
		December 31,	1993*	1992**	1991***	
<hr/>						
NET SALES	Foods		\$3,673.8	\$4,055.5	\$4,119.5	
	Non-food consumer and industrial		1,832.5	1,816.2	1,804.6	
	Total		\$5,506.3	\$5,871.7	\$5,924.1	
<hr/>						
OPERATING PROFIT	Foods		\$ 22.7	\$ 92.4	\$ 428.8	
	Non-food consumer and industrial		171.6	141.6	185.9	
	Total segments		194.3	234.0	614.7	
	General corporate expense, net		(153.3)	(141.9)	(16.5)	
	Interest expense		(125.1)	(116.6)	(167.0)	
	Pretax (loss) income from continuing operations		\$ (84.1)	\$ (24.5)	\$ 431.2	
<hr/>						
IDENTIFIABLE ASSETS	Foods		\$2,085.6	\$3,496.9	\$3,689.5	
	Non-food consumer and industrial		1,114.3	1,395.4	1,438.1	
	Total segments		3,199.9	4,892.3	5,127.6	
	Discontinued operations		222.2			
	Corporate assets		449.6	353.7	333.7	
Total		\$3,871.7	\$5,246.0	\$5,461.3		
<hr/>						
DEPRECIATION AND AMORTIZATION	Foods		\$ 163.7	\$ 165.7	\$ 157.2	
	Non-food consumer and industrial		48.7	49.8	46.2	
<hr/>						
CAPITAL EXPENDITURES		Foods	\$ 102.3	\$ 202.9	\$ 303.4	
		Non-food consumer and industrial	59.1	74.6	66.0	
<hr/>						
GEOGRAPHIC INFORMATION	Net sales	United States	\$3,620.9	\$3,928.7	\$3,903.2	
		Europe	914.8	979.2	1,083.2	
		Other	970.6	963.8	937.7	
			Total	\$5,506.3	\$5,871.7	\$5,924.1
	Operating profit	United States	\$ 82.7	\$ 155.1	\$ 421.4	
		Europe	73.7	54.4	92.1	
		Other	37.9	24.5	101.2	
		Total	\$ 194.3	\$ 234.0	\$ 614.7	
	Identifiable assets	United States	\$2,408.0	\$3,534.4	\$3,602.6	
		Europe	695.2	858.0	1,027.4	
		Other	546.3	853.6	831.3	
		Discontinued operations	222.2			
Total		\$3,871.7	\$5,246.0	\$5,461.3		

* The \$38.4 restructuring and other charges to segment operating profit in 1993 is allocated as follows: \$38.4 for the foods segment; and \$22.1 for U.S. operations, and \$16.3 for other foreign operations. The remainder of the restructuring charge not allocable to operating profit: \$76.5 is included in general corporate expense.

** The \$270.7 restructuring charge to segment operating profit in 1992 is allocated as follows: \$215.7 for the foods segment and \$55.0 for the non-food consumer and industrial segment; and \$165.9 for U.S. operations, \$38.1 for European operations and \$66.7 for other foreign operations. The remainder of the restructuring charge not allocable to operating profit: \$27.1 is included in general corporate expense and \$79.4 is related to discontinued operations.

*** The \$61.2 restructuring charge to segment operating profit in 1991 is allocated as follows: \$48.7 for the foods segment and \$12.5 for the non-food consumer and industrial segment; and \$34.5 for U.S. operations, \$7.4 for European operations and \$19.3 for other foreign operations. The remainder of the restructuring charge not allocable to operating profit: \$6.0 is included in general corporate expense and \$4.4 is related to discontinued operations.

CONSOLIDATED STATEMENTS OF INCOME

(In millions except per share data)		Year Ended December 31,		
		1993	1992	1991
<hr/>				
REVENUE	Net sales	\$5,506.3	\$5,871.7	\$5,924.1
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COSTS AND EXPENSES	Cost of goods sold	4,078.6	4,301.9	4,268.5
	Marketing, general and administrative expenses	1,223.7	1,163.6	1,023.9
	Restructuring charges	114.9	297.8	67.2
	Interest expense	125.1	116.6	167.0
	Equity in income of affiliates	(16.0)	(19.4)	(24.0)
	Minority interest	40.7	39.7	2.8
	Other (income) and expense, net	23.4	(4.0)	(12.5)
	Income taxes	(27.2)	14.2	151.3
		<hr/>	<hr/>	<hr/>
		5,563.2	5,910.4	5,644.2
<hr/>				
EARNINGS	(Loss) income from continuing operations	(56.9)	(38.7)	279.9
	Discontinued operations:			
	(Loss) income from operations	(65.8)	(85.9)	15.0
	Loss on disposal	(490.0)		
		<hr/>	<hr/>	<hr/>
	(Loss) income before extraordinary item and cumulative effect of accounting changes	(612.7)	(124.6)	294.9
	Extraordinary loss on early retirement of debt		(10.8)	
	Cumulative effect of change in accounting for:			
	Postemployment benefits	(18.0)		
	Postretirement benefits other than pensions		(189.0)	
	Income taxes		(40.0)	
	Net (loss) income	\$ (630.7)	\$ (364.4)	\$ 294.9
		<hr/>	<hr/>	<hr/>
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SHARE DATA	(Loss) income from continuing operations	\$ (.40)	\$ (.27)	\$ 1.90
	Discontinued operations:			
	(Loss) income from operations	(.47)	(.60)	.10
	Loss on disposal	(3.47)		
		<hr/>	<hr/>	<hr/>
	(Loss) income before extraordinary item and cumulative effect of accounting changes	(4.34)	(.87)	2.00
	Extraordinary loss on early retirement of debt		(.07)	
	Cumulative effect of change in accounting for:			
	Postemployment benefits	(.13)		
	Postretirement benefits other than pensions		(1.32)	
	Income taxes		(.28)	
	Net (loss) income per common share	\$ (4.47)	\$ (2.54)	\$ 2.00
		<hr/>	<hr/>	<hr/>
	Cash dividends paid per common share	\$ 0.90	\$ 1.185	\$ 1.12
	Average number of common shares outstanding during the period	141.0	143.4	147.6
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See Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

(In millions except share and per share data)

	December 31,	1993	1992
ASSETS			
CURRENT ASSETS			
Cash and equivalents		\$ 100.3	\$ 186.0
Accounts receivable (less allowance for doubtful accounts of \$8.9 and \$10.3, respectively)		334.7	889.6
Inventories:			
Finished and in process goods		319.4	400.9
Raw materials and supplies		171.0	240.2
Other current assets		142.6	210.8
Net assets of discontinued operations		222.2	
		<u>1,290.2</u>	<u>1,927.5</u>
INVESTMENTS AND OTHER ASSETS			
Investments in and advances to affiliated companies		91.3	96.1
Deferred income taxes		225.4	
Other assets		126.6	255.8
		<u>443.3</u>	<u>351.9</u>
PROPERTY AND EQUIPMENT			
Land		105.5	125.6
Buildings		609.6	815.5
Machinery and equipment		1,949.3	2,389.5
		<u>2,664.4</u>	<u>3,330.6</u>
Less accumulated depreciation		(1,327.7)	(1,542.5)
		<u>1,336.7</u>	<u>1,788.1</u>
INTANGIBLES			
Intangibles resulting from business acquisitions (net of accumulated amortization of \$189.8 and \$222.9, respectively)		801.5	1,178.5
		<u>\$3,871.7</u>	<u>\$5,246.0</u>

See Notes to Consolidated Financial Statements

		December 31,	1993	1992
<hr/>				
LIABILITIES AND SHAREHOLDERS' EQUITY				
<hr/>				
CURRENT LIABILITIES	Debt payable within one year		\$ 410.6	\$ 706.6
	Accounts and drafts payable		433.3	589.7
	Restructuring reserve		145.9	139.4
	Income taxes		56.5	55.1
	Other current liabilities		325.2	317.0
			-----	-----
			1,371.5	1,807.8
			-----	-----
OTHER	Long-term debt		1,240.8	1,329.9
	Deferred income taxes		47.1	66.8
	Non-pension postemployment benefit obligations		353.8	317.7
	Other long-term liabilities		103.8	79.3
	Minority interest		508.8	518.2
			-----	-----
			2,254.3	2,311.9
			-----	-----
SHAREHOLDERS' EQUITY	Common stock - \$0.625 par value			
	Authorized 480,000,000 shares			
	Issued 194,983,374 shares		121.9	121.9
	Paid-in capital		88.1	83.0
	Accumulated translation adjustment		(171.1)	(128.3)
	Minimum pension liability		(95.5)	(3.2)
	Retained earnings		835.1	1,592.5
			-----	-----
			778.5	1,665.9
	Less common stock in treasury			
	(at cost) - 53,625,339 shares and			
	54,342,642 shares, respectively		(532.6)	(539.6)
			-----	-----
			245.9	1,126.3
			-----	-----
			\$3,871.7	\$5,246.0
			=====	=====
			-----	-----

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Year Ended December 31,	1993	1992	1991
<hr/>				
CASH FLOWS FROM OPERATING ACTIVITIES	Net (loss) income	\$(630.7)	\$ (364.4)	\$ 294.9
	Adjustments to reconcile net income to net cash from operating activities:			
	Depreciation and amortization	224.0	227.6	216.9
	Loss on disposal of discontinued operations	637.4		
	Change in accounting estimates	94.1		
	Restructuring	52.5	316.5	(65.0)
	Non-pension postemployment benefit obligation	36.1	317.7	
	Net changes in assets and liabilities:			
	Trade receivables	47.8	(30.3)	19.9
	Inventories	21.2	1.0	7.6
	Trade payables	(0.5)	(4.4)	(15.1)
	Current and deferred taxes	(242.4)	(175.3)	63.4
	Other assets	(34.2)	(9.6)	(99.0)
	Other, net	(132.9)	14.1	(74.8)
	Discontinued operations	79.9		
		-----	-----	-----
		152.3	292.9	348.8
		-----	-----	-----
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CASH FLOWS FROM INVESTING ACTIVITIES	Capital expenditures	(177.0)	(286.2)	(376.0)
	Divestiture of businesses	53.4	123.0	94.1
	Purchase of businesses	(9.5)	(20.1)	(29.5)
		-----	-----	-----
		(133.1)	(183.3)	(311.4)
		-----	-----	-----
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CASH FLOWS FROM FINANCING ACTIVITIES	(Decrease) increase in short-term debt	(536.2)	255.5	(310.4)
	Reduction in long-term debt	(128.7)	(266.1)	(244.2)
	Minority interest			500.0
	Long-term debt financing	274.6	45.2	223.1
	Sale of receivables	400.0		
	Dividends paid	(126.7)	(170.4)	(165.0)
	Issuance of stock under stock options and benefits and awards plans	12.1	3.9	7.2
	Acquisition of treasury stock			(1.6)
		-----	-----	-----
		(104.9)	(131.9)	9.1
		-----	-----	-----
<hr/>				
	(Decrease) increase in cash and equivalents	(85.7)	(22.3)	46.5
	Cash and equivalents at beginning of year	186.0	208.3	161.8
		-----	-----	-----
	Cash and equivalents at end of year	\$ 100.3	\$ 186.0	\$ 208.3
		=====	=====	=====
<hr/>				
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	Interest paid	\$ 133.3	\$ 130.4	\$ 177.5
	Taxes paid	20.5	67.1	102.6
		-----	-----	-----

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In millions)	Common Stock	Paid-In Capital	Accumulated Translation Adjustment	Minimum Pension Liability	Retained Earnings	Treasury Stock
BALANCE, DECEMBER 31, 1990	\$126.2	\$310.4	\$ (32.2)	\$(17.9)	\$1,997.4	\$(542.3)
Net income					294.9	
Cash dividends					(165.0)	
Translation adjustments			(19.1)			
Treasury stock purchased						(1.6)
Stock issued for preferred series B converted, exercised options and benefits and awards plans		4.5				2.7
Minimum pension liability adjustment				16.5		
BALANCE, DECEMBER 31, 1991	126.2	314.9	(51.3)	(1.4)	2,127.3	(541.2)
Net loss					(364.4)	
Cash dividends					(170.4)	
Translation adjustments			(77.0)			
Stock issued for preferred series B converted, exercised options and benefits and awards plans		2.3				1.6
Stock purchased and retired	(4.3)	(234.2)				
Minimum pension liability adjustment				(1.8)		
BALANCE, DECEMBER 31, 1992	121.9	83.0	(128.3)	(3.2)	1,592.5	(539.6)
Net loss					(630.7)	
Cash dividends					(126.7)	
Translation adjustments			(42.8)			
Stock issued for preferred series B converted, exercised options and benefits and awards plans		5.1				7.0
Minimum pension liability adjustment				(92.3)		
BALANCE, DECEMBER 31, 1993	\$121.9 =====	\$ 88.1 =====	\$(171.1) =====	\$(95.5) =====	\$ 835.1 =====	\$(532.6) =====

See Notes to Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

Significant accounting policies followed by the Company, as summarized below, are in conformity with generally accepted accounting principles.

PRINCIPLES OF CONSOLIDATION--The consolidated financial statements include the accounts of Borden, Inc. and its subsidiaries, after elimination of material intercompany accounts and transactions. The Company's proportionate share of the net earnings of unconsolidated 20% to 50% owned companies is included in income. The carrying value of these companies approximates Borden's interest in their underlying net assets. Investments of less than 20% ownership are carried at cost.

CASH AND EQUIVALENTS/STATEMENTS OF CASH FLOWS--The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The effect of exchange rate changes on cash flows is not material.

INVENTORIES--Inventories are stated at the lower of cost or market. Cost is determined using the average cost and first-in, first-out methods.

PROPERTY AND EQUIPMENT--Land, buildings and machinery and equipment are carried at cost.

Depreciation is recorded on the straight-line basis by charges to costs and expenses at rates based on estimated useful lives of properties (average rates for buildings 3.3%; machinery and equipment 6.8%).

Major renewals and betterments are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed of, related cost and accumulated depreciation are removed from the accounts.

INTANGIBLES--The excess of purchase price over net tangible assets of businesses acquired is carried as intangibles in the consolidated balance sheets. It is the Company's policy to carry intangibles arising prior to November 1, 1970 at cost, while those arising after that date are amortized on a straight-line basis over not more than forty years. The carrying value of intangibles is evaluated periodically in relation to the operating performance and future undiscounted cash flows of the underlying businesses. Adjustments are made if the sum of expected future net cash flows is less than book value.

REVENUE RECOGNITION--Revenues are recognized when products are shipped.

ADVERTISING AND PROMOTION EXPENSE--Production costs of future media advertising are deferred until the advertising occurs. All other advertising and promotion costs are expensed when incurred or expensed ratably over the year in relation to sales.

INCOME TAXES--In 1992 the Company adopted Statement of Financial Accounting Standard (SFAS) No. 109 "Accounting for Income Taxes," which requires the use of the liability method of accounting for deferred income taxes.

The provision for income taxes includes Federal, foreign, state and local income taxes currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. A substantial portion of the undistributed earnings of foreign subsidiaries has been reinvested and is not expected to be remitted to the parent company. Accordingly, no Federal income taxes have been provided on such earnings, and at December 31, 1993, the cumulative amount of reinvested income was approximately \$555.0. The determination of the tax effect relating to such reinvested income is not practicable.

PENSION AND RETIREMENT SAVINGS PLANS--Substantially all of the Company's employees are covered under one of the Company's pension plans or one of the union-sponsored plans to which the Company contributes.

Substantially all domestic and Canadian salaried and nonbargaining hourly employees participate in the Company's retirement savings plans. The Company's cost of providing the retirement savings plans represents its matching of eligible contributions made by partici-

pating employees and is recognized as a charge to income in the year the cost is incurred.

NON-PENSION POSTEMPLOYMENT BENEFITS--The Company provides certain health and life insurance benefits for eligible retirees and their dependents. In 1992 the Company adopted SFAS No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" whereby the cost of postretirement benefits is accrued during employees' working careers. The cost of providing these benefits was previously recognized as a charge to income in the period the benefits were paid. The Company elected to immediately recognize this obligation rather than amortize it over future periods.

The Company provides certain other postemployment benefits to qualified former or inactive employees. In 1993 the Company adopted, effective January 1, 1993, SFAS No. 112 "Employers' Accounting for Postemployment Benefits." The standard requires that the cost of benefits provided to former or inactive employees after employment, but before retirement, be accrued when it is probable that a benefit will be provided. The cost of providing these benefits was previously recognized as a charge to income in the period the benefits were paid.

FOREIGN CURRENCY TRANSLATIONS--Assets and liabilities of foreign affiliates are generally translated at current exchange rates, and related translation adjustments are reported as a component of shareholders' equity. Income statement accounts are translated at the average rates during the period. For entities in highly inflationary countries, a combination of current and historical rates are used in translating assets and liabilities and related exchange adjustments are included in net income.

EARNINGS PER SHARE--Earnings per common share are computed based on the weighted average number of common shares outstanding.

FINANCIAL INSTRUMENTS--The Company uses forward exchange contracts and currency swaps to hedge certain net foreign investments, firm commitments and transactions denominated in foreign currencies. Gains and losses on forward contracts are deferred and offset against foreign exchange gains or losses on the underlying hedged item. Premiums on currency swaps which hedge net foreign investments are recorded in the accumulated translation adjustment account to offset translation adjustments.

The Company uses interest rate swaps to manage interest rate risk. The interest differentials from these swaps are recorded in interest expense.

The fair values of financial instruments are estimated based on quotes from brokers or current rates offered for instruments with similar characteristics.

2. DISCONTINUED OPERATIONS AND RESTRUCTURING CHARGES

In December 1993 the Company recorded a pretax charge of \$752.3 to provide for a comprehensive divestiture and restructuring program which includes the divestment of North American snacks, seafood, jams and jellies and other businesses.

The results below for the businesses being divested have been reported separately as discontinued operations in the Consolidated Statements of Income.

	1993	1992	1991
Sales	\$1,193.8	\$1,270.9	\$1,311.0
(Loss) income before income taxes	(102.0)	(131.0)	29.7
Income tax (benefit) expense	(36.2)	(45.1)	14.7
Net (loss) income from discontinued operations	(65.8)	(85.9)	15.0

The estimated loss on disposal of the discontinued operations is \$637.4, \$490.0 after tax, which includes a provision for anticipated operating losses until disposal.

The Company anticipates that the sale or closure of all the operations will be completed by the end of 1994. The Company intends to use net proceeds from the sale of the operations primarily to reduce debt.

Net assets of \$222.2 related to the discontinued operations have been segregated in the December 31, 1993 Consolidated Balance Sheet. This amount consists of the assets and liabilities of the businesses to be disposed less the estimated losses on disposal of \$637.4.

The restructuring of the Company's operations represent an integral part of the comprehensive program. In connection with this program the Company recorded a pretax charge of \$114.9 for organizational restructuring, including severance costs. The charge includes a \$16.3 increase in the estimated costs to divest of an international operation which was provided for in the 1992 restructuring reserve. The change in estimate for this divestiture is primarily related to the additional time required to dispose of the operation and recent unfavorable exchange rates. In 1993 charges of \$1.6 were incurred. Of the remaining \$113.3 reserve at December 31, 1993, \$98.3 represents cash charges the majority of which are expected to be incurred in 1994.

The 1992 results include a restated restructuring charge of \$377.2, of which \$79.4 relates to discontinued operations and is included in the loss from discontinued operations in the Consolidated Statements of Income. The restructuring charge includes changes in estimates of \$19.8 for idle property carrying costs and workers' compensation costs associated with locations closed in the 1989 and 1991 restructuring reserves. The 1992 restructuring program included projects to relocate personnel, write off obsolete assets, provide for anticipated losses on divestitures and provide for costs to close facilities.

The cumulative charges to the 1992 restructuring reserve were \$344.6, of which \$91.6 were cash charges, leaving a balance of \$32.6 at December 31, 1993. Of the \$189.4 reserve balance at December 31, 1992, \$50.0 was included in other long-term liabilities due to their non-current nature.

In fourth quarter 1991 the Company recorded a \$71.6 charge, of which \$4.4 related to discontinued operations, which reduced net income by \$44.0. The charge covered business reorganization costs as well as severance, relocation and other employee-related expenses. Spending related to this charge was substantially completed in 1992.

3. RESTATEMENT AND RECLASSIFICATION

Following communications with the Securities and Exchange Commission concerning the 1992 restructuring charge, the Company has reclassified and restated \$264.8 of the 1992 restructuring charge. Of this amount, \$145.5 was reclassified from restructuring into cost of goods sold and marketing, general and administrative expense in the 1992 financial statements and had no effect on the net 1992 results of operations. The reclassification included marketing, environmental and litigation accruals and asset writeoffs. The remaining \$119.3 was reversed to 1992 income. It included \$59.8 of business integration, marketing and data system reorganization costs which were recorded as 1993 expenses and \$59.5 of 1992 restructuring programs that have been cancelled.

In connection with the 1992 restatement, a loss of \$17.2, \$10.8 after tax, relating to debt retirement costs was reclassified out of restructuring and presented as an extraordinary item.

As a result of the restatement the 1993 net loss increased \$37.1, or \$0.26 per share, and the 1992 net loss decreased \$75.2, or \$0.53 per share, \$86.0, or \$0.60 per share, before extraordinary item, as compared to the originally reported results. Shareholders' equity increased by \$38.1 and \$75.2 at December 31, 1993 and 1992, respectively.

Results for 1992 and 1991 have been restated for discontinued operations. Certain amounts in the consolidated financial statements have been reclassified for comparative purposes.

4. ACCOUNTS RECEIVABLE

During 1993 the Company entered into an agreement which expires in 1996 that enables the Company to periodically sell up to \$400.0 of accounts receivable without recourse. In December 1993 \$400.0 of accounts receivable were sold.

Accounts receivable include tax refund receivables of \$103.3 and \$50.7 at December 31, 1993 and 1992, respectively.

5. DEBT, LEASE OBLIGATIONS AND RELATED COMMITMENTS

Debt outstanding at December 31, 1993 and 1992 is as follows:

	1993		1992	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
10 5/8% Canadian Dollar Notes due 1993				\$ 44.8
16 1/2% Australian Dollar Notes due 1994		\$ 66.8	\$77.9	
9 7/8% Notes due 1997	\$ 78.1		78.1	
Medium Term Notes, Series A (at an average rate of 7.8% and 7.7%, respectively)	100.0	50.0	150.0	35.0
Zero-Coupon Convertible Bonds due 2002	257.6		243.4	
9.2% Debentures due 2021	117.1		117.0	
7.875% Debentures due 2023	250.0			
Sinking fund debentures:				
8 3/8% due 2016	78.5		78.5	
9 1/4% due 2019	48.7		48.7	
Commercial paper (at an average rate of 3.6% and 4.0%, respectively)	200.0		400.0	
Industrial Revenue Bonds (at an average rate of 8.4% and 8.7%, respectively)	55.2	0.3	55.4	0.2
Other (at an average rate of 9.1% and 9.7%, respectively)	55.6	14.8	80.9	6.3
Total current maturities of long-term debt		131.9		86.3
Short-term debt:				
Commercial paper (at an average rate of 3.6% and 4.0%, respectively)		59.0		439.0
Other (primarily foreign bank loans at an average rate of 5.4% and 9.8%, respectively)		219.7		181.3
Total debt	\$1,240.8	\$410.6	\$1,329.9	\$706.6

During 1992 the Company issued ten-year zero-coupon convertible bonds. The bonds issued had an aggregate value of \$235.0 and carry an effective interest rate of 5.74%. The bonds were issued in exchange for 7 million shares of the Company's common stock which were retired. This noncash transaction is not reflected in the Consolidated Statement of Cash Flows.

At December 31, 1993 and 1992 the Company had interest rate swap agreements covering \$400.0 of commercial paper. These agreements, which mature from 1995 to 2000, effectively replace variable interest rates on the commercial paper with a fixed rate of 9.9% in 1993 and 1992. The Company had other interest rate swaps with a notional amount of \$504.3 at December 31, 1993 and \$549.7 at December 31, 1992. The aggregate fair value of all interest rate swaps was a liability (i.e., the amount that would have to be paid to terminate all swaps) of \$73.1 at December 31, 1993 and \$54.1 at December 31, 1992.

The aggregate fair value of the Company's outstanding debt was \$1,828.8 at December 31, 1993 and \$2,120.9 at December 31, 1992.

The Company uses currency swap agreements to convert the 16 1/2% Australian Dollar Notes into a 11.1% Canadian Dollar obligation.

The Company is exposed to credit loss in the event of nonperformance by the other parties to the swap agreements. However, the Company does not anticipate nonperformance by the counterparties.

At December 31, 1993 and 1992 \$200.0 and \$400.0, respectively, of commercial paper is classified as long-term debt since the Company has both the intent and ability, through its credit facilities, to maintain such amounts for more than one year.

Aggregate maturities of long-term debt and minimum annual rentals under operating leases at December 31, 1993 are as follows:

	LONG-TERM DEBT	MINIMUM RENTALS ON OPERATING LEASES
1994	\$131.9	\$ 58.9
1995	257.7	44.0
1996	51.0	32.0
1997	112.4	25.1
1998	1.6	16.7
1999 and beyond	818.1	66.0

The average amount of short-term commercial paper outstanding was \$341.7 during 1993 and \$409.0 during

1992, and the average amount of other short-term debt was \$189.7 during 1993 and \$193.9 during 1992. The respective weighted average interest rates for short-term commercial paper and other short-term debt were 3.3% and 7.4% during 1993 and 3.7% and 9.8% during 1992. Maximum month-end borrowings were \$440.0 in 1993 and \$485.0 in 1992 for short-term commercial paper, and \$219.7 in 1993 and \$270.8 in 1992 for other short-term debt. The Company had unused credit agreements of \$742.7 at December 31, 1993, of which \$520.0 was in support of commercial paper borrowings and \$222.7 was available for borrowing.

The Company capitalizes interest related to the cost of acquiring certain fixed assets. The total interest costs incurred and the portions capitalized were \$126.2 and \$1.1 in 1993, \$151.1 and \$3.1 in 1992, and \$208.2 and \$9.8 in 1991.

6. INCOME TAXES

In 1992 the Company adopted SFAS No. 109 which requires the use of the liability method of accounting for deferred income taxes. The cumulative effect as of January 1, 1992 of the change was a deferred tax expense of \$40.0, or \$.28 per share. The effect of the accounting change in 1992 was to increase net income by \$3.1, or \$.02 per share.

Comparative analysis of the provisions for income taxes from continuing and discontinued operations and the loss on disposal of discontinued operations follows:

	1993	1992	1991
CURRENT			
Federal	\$ (28.7)	\$ 5.6	\$ 25.8
State and Local	(.3)	5.9	7.1
Foreign	27.1	47.3	50.1
	(1.9)	58.8	83.0
DEFERRED			
Federal	(175.2)	(80.6)	57.5
State and Local	(32.1)	(8.2)	8.1
Foreign	(1.6)	(.9)	17.4
	(208.9)	(89.7)	83.0
	\$ (210.8)	\$ (30.9)	\$ 166.0

The 1993 income tax benefit of \$210.8 was comprised of \$27.2 from continuing operations, \$36.2 from losses of discontinued operations and \$147.4 from loss on disposal of discontinued operations.

The 1992 tax benefit of \$30.9 consists of a tax expense of \$14.2 from continuing operations and a tax benefit of \$45.1 from discontinued operations. The tax expense related to continuing operations reflects write offs of intangibles and other assets with reduced tax basis in connection with certain businesses divested under the 1992 restructuring program.

The 1991 tax expense of \$166.0 includes \$151.3 from continuing operations and \$14.7 from discontinued operations.

The deferred tax provisions in 1993, 1992 and 1991 include \$(196.6), \$(116.3), and \$11.4, respectively, for the tax effects of costs and expenses related to the restructuring programs and the disposal of discontinued operations which are deductible for income tax purposes subsequent to their recognition for book purposes, when the assets are disposed of or expenditures incurred. The deferred tax provisions in 1993, 1992 and 1991 also reflect the tax effects of accelerated depreciation of \$13.7, \$11.7 and \$15.5, respectively, and pension contributions with tax effects of \$6.0, \$6.2 and \$10.4, respectively.

Reconciliations of the differences between income taxes computed at Federal statutory tax rates and consolidated provisions for income taxes are as follows:

	1993	1992	1991
Income taxes computed at			
Federal statutory tax rate	\$ (280.0)	\$(52.8)	\$ 156.7
State tax provision, net of			
Federal benefits	(22.6)	(2.2)	10.0
Foreign tax differentials	.1	1.7	2.8
Capital loss benefit		(17.9)	(11.7)
Restructuring programs	4.3	40.0	
Loss on disposal of discontinued			
operations	81.3		
Other -- net	6.1	.3	8.2
Provisions for income taxes	\$ (210.8)	\$(30.9)	\$ 166.0

=====

The domestic and foreign components of (loss) income before income taxes, extraordinary loss and cumulative effect of accounting changes are as follows:

	1993	1992	1991
Domestic	\$ (878.9)	\$(195.3)	\$ 276.1
Foreign	55.4	39.8	184.8
	<u>\$ (823.5)</u>	<u>\$(155.5)</u>	<u>\$ 460.9</u>

The net current and non-current components of deferred income taxes recognized in the balance sheet at December 31, 1993 and 1992 follow:

	1993	1992
Net current assets	\$ 44.0	\$ 41.3
Net non-current asset (liabilities)	178.3	(66.8)
Net asset (liability)	\$ 222.3 =====	\$ (25.5) =====

The tax effects of the significant temporary differences which comprise the deferred tax assets and liabilities at December 31, 1993 and 1992 follow:

	1993	1992
ASSETS		
Non-pension postemployment benefit obligations	\$ 131.7	\$ 118.4
Restructuring and other reserves	140.1	113.8
Divestiture reserve	147.4	
Accrued expenses and other reserves	50.8	56.7
Foreign property, plant and equipment	14.1	12.8
Minimum pension liability	58.5	1.9
Loss and credit carryforwards	108.6	42.9
Other	7.3	24.3
Gross deferred tax assets	658.5	370.8
Valuation allowance	(58.7)	(42.9)
	599.8	327.9
LIABILITIES		
Property, plant and equipment	236.5	212.5
Certain foreign intangibles	26.4	23.9
Deferred gain on sale of partnership interest	21.0	20.5
Pension and health plan contributions	26.5	22.9
Prepaid expenses and deferred charges	52.4	50.8
Other	14.7	22.8
Gross deferred tax liabilities	377.5	353.4
Net asset	\$ 222.3 =====	\$ (25.5) =====

The net change in valuation allowances of \$15.8 in 1993 and \$42.9 in 1992 primarily relates to loss carryforwards of foreign operations which are not expected to be realized.

The Internal Revenue Service is examining the Company's tax returns for the period 1989-1990 and has proposed adjustments to the utilization of certain capital losses that resulted in \$46.0 of reduced income tax expense. Full disallowance of the contested items would result in a net charge to earnings of \$52.0 including interest. The Company disagrees with the position of the Service, will contest the proposed adjustment and believes it has meritorious support for its position.

7. MINORITY INTEREST

In 1991 three wholly owned subsidiaries of the Company contributed \$1,700.5 in assets to T.M.I. Associates, L.P., a Delaware limited partnership (the Partnership), in exchange for a 77.28% general partner interest in the Partnership. The contributed assets consisted of selected trademarks which are licensed to the Company pursuant to exclusive long-term license agreements, a long-term note guaranteed by the Company and cash. Additionally, an outside investor contributed \$500.0 in cash to the Partnership in exchange for a 22.72% limited partner interest. The Partnership, whose purpose is to invest in and manage a portfolio of assets, is a separate and distinct legal entity from the Company. For financial reporting purposes the Partnership's assets, liabilities and earnings are consolidated with those of the Company, and the limited partner's interest in the Partnership is included in the Company's financial statements as minority interest.

8. PENSION AND RETIREMENT SAVINGS PLANS

For substantially all salaried employees, the Company's pension plans provide benefits generally based on compensation and credited service. For hourly employees, the plans provide benefits based on specified amounts per year of credited service.

Following are the components of the net pension expense (credit) recognized by the Company:

	1993	1992	1991
Service cost -- benefits earned during the period	\$ 13.4	\$ 13.7	\$ 13.1
Interest cost on the projected benefit obligation	45.6	46.3	47.4
Actual return on plan assets	(20.0)	(18.9)	(93.7)
Net amortization and deferral	(34.2)	(42.6)	33.5
Net pension expense (credit)	\$ 4.8	\$ (1.5)	\$.3

The weighted average rates used to determine net periodic pension expense were as follows:

	1993	1992	1991
Discount rate	8.8%	8.5%	9.3%
Rate of increase in future compensation levels	5.4	5.3	5.9
Expected long-term rate of return on plan assets	10.2	10.1	10.9

Most employees not covered by the Company's plans are covered by collectively bargained agreements which are generally effective for periods from one to five years. Under Federal pension law, there would be continuing liability to these pension trusts if the Company ceased all or most participation in any such trust, and under certain other specified conditions. Operations were charged \$5.8, \$7.0 and \$7.6 in 1993, 1992 and 1991, respectively, for payments to pension trusts on behalf of employees not covered by the Company's plans.

The funded status of the plans and amounts included in the Company's balance sheets at December 31, 1993 and 1992 were as follows:

	1993		1992	
	Plan Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Plan Assets	Plan Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Plan Assets
Plan assets at fair value	\$ 134.3	\$ 378.2	\$ 509.7	\$ 17.6
Actuarial present value of:				
Vested benefit obligations	(106.0)	(456.2)	(466.2)	(32.6)
Accumulated benefit obligations	(108.8)	(474.5)	(483.0)	(35.6)
Projected benefit obligations	(128.4)	(484.1)	(506.0)	(40.3)
Plan assets greater (less) than projected benefit obligation	5.9	(105.9)	3.7	(22.7)
Unrecognized prior service (benefit) cost	(1.6)	(7.5)	(13.3)	1.4
Unrecognized loss	37.3	187.2	121.8	7.9
Unrecognized net transition (asset) obligation	(0.5)	(15.5)	(19.1)	1.6
Minimum liability adjustment		(156.3)		(8.0)
Net pension asset (liability)	\$ 41.1	\$ (98.0)	\$ 93.1	\$(19.8)

The weighted average discount rates and rates of increase in future compensation levels used in determining the projected benefit obligation were 7.6% and 4.5%, respectively, as of December 31, 1993, and 8.8% and 5.4%, respectively, as of December 31, 1992.

Plan assets consist primarily of equity securities and corporate obligations, including Company common stock. At December 31, 1993 and 1992 the plans held 2,185,000 and 1,885,000 shares of Company common stock, respectively, with a market value of \$37.1 and \$54.0, on which dividends of \$1.7 and \$2.2 were received.

In accordance with SFAS No. 87 the Company recorded an additional minimum pension liability for underfunded plans, representing the excess of accumulated benefits over plan assets and accrued pension costs, of \$148.3 and \$0.7 at December 31, 1993 and 1992, respectively. This liability, which had no effect on income, was offset by reducing intangible assets by \$0.6 and \$2.1 in 1993 and 1992 and reducing equity by \$92.3 and \$1.8, net of income taxes, in 1993 and 1992, respectively.

Charges to operations for matching contributions under the Company's retirement savings plans in 1993, 1992 and 1991 amounted to \$16.1, \$20.6 and \$21.6, respectively. Eligible salaried and hourly non-bargaining employees may contribute up to 5% of their pay (7% for certain longer service salaried employees), which is matched 100% by the Company. The 1993 expense was reduced as a result of the temporary suspension of the Company match in the fourth quarter.

9. NON-PENSION POSTEMPLOYMENT BENEFITS

The Company provides certain health and life insurance benefits for eligible domestic retirees and their dependents. In 1992 the Company adopted SFAS No. 106 whereby the cost of postretirement benefits is accrued during employees' working careers. The Company elected to immediately recognize this obligation rather than amortize it over future periods. The cost of providing these benefits was previously recognized as a charge to income in the period the benefits were paid.

The cumulative effect of the change as of January 1, 1992 was to decrease net income by \$189.0, or \$1.32 per share, after deferred tax benefit of \$111.0. The effect of the accounting change in 1992 was to reduce net income by \$11.2, or \$.08 per share.

Participants who are not eligible for Medicare are provided with the same

medical benefits as active employees, while those who are eligible for Medicare are provided with supplemental benefits. The postretirement medical benefits are contributory for retirements after 1983; the postretirement life insurance benefit is noncontributory.

In 1993 the Company amended the postretirement benefit plan for most employees primarily to reduce, and over several years eliminate, the Company subsidy of retiree medical benefits. This plan amendment reduced the accumulated postretirement benefit obligation by \$74.8 million and is being amortized over future years.

The components of net postretirement benefit expense for the year ended December 31, 1993 and 1992 follow:

	1993	1992
Service cost	\$ 4.9	\$ 7.3
Interest cost	22.6	23.8
Net amortization and deferral	(5.6)	
Net postretirement benefit expense	\$ 21.9	\$ 31.1
	=====	=====

The status of the Company's unfunded postretirement benefit obligation at December 31, 1993 and 1992 follows:

	1993	1992
Actuarial present value of accumulated postretirement benefit obligation:		
Retirees	\$(186.9)	\$(193.6)
Fully eligible active plan participants	(33.9)	(43.4)
Other active plan participants	(33.5)	(71.2)
	(254.3)	(308.2)
Unrecognized prior service benefit	(73.0)	(4.3)
Unrecognized loss (gain)	1.6	(5.2)
Accrued postretirement benefit liability	\$ (325.7)	\$ (317.7)
	=====	=====

The discount rate used in determining the accumulated postretirement benefit obligation at December 31, 1993 and 1992 was 7.5% and 8.5%, respectively.

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation at December 31, 1993 was 14.4% for 1994, gradually declining to 5.5% in 2009 and thereafter. The comparable assumptions for the prior year were 15.0% and 6.5%. A one-percentage point increase in the health care cost trend rate would increase the accumulated postretirement benefit obligation as of December 31, 1993 by \$25.4 and the sum of the service and interest costs in 1993 by \$4.5.

The health and life insurance benefits expense for retired employees on a pay-as-you-go basis was \$14.4 in 1991.

The Company provides certain other postemployment benefits, primarily medical and life insurance benefits for long-term disabled employees, to qualified former or inactive employees. In 1993 the Company adopted, SFAS No. 112 effective January 1, 1993. The standard requires that the cost of benefits provided to former or inactive employees after employment, but before retirement, be accrued when it is probable that a benefit will be provided. The cost of providing these benefits was previously recognized as a charge to income in the period the benefits were paid. The amounts of such charges were not significant in the prior years.

The cumulative effect of the change as of January 1, 1993 was to decrease net income by \$18.0, or \$.13 per share, after deferred tax benefit of \$11.0. The current year effect of the change was not significant.

10. SHAREHOLDERS' EQUITY

The Company has authorized 10,000,000 shares of no-par preferred series B stock. At December 31, 1993 and 1992 6,989 and 7,324 shares, respectively were issued and outstanding. Each share of the preferred series B stock has an involuntary liquidating value of \$28.88, bears an annual cumulative dividend of \$1.32, is convertible into 6.6 common shares, and is redeemable at the Company's option at \$39. At December 31, 1993 46,128 common shares were reserved for conversion of preferred series B stock.

Under a Preferred Share Purchase Rights Plan, each outstanding share of common stock has one preferred stock purchase right (Right) which entitles shareholders to purchase, under certain circumstances, one-hundredth of a share of Series C Junior Participating Preferred Stock at an exercise price of \$175, subject to adjustment. The Rights may only be exercised if a person or group acquires 20% or more of the Company's common stock, or announces a tender or exchange offer for 20% or more of the common stock. In the event of certain business combinations, each holder of a Right may be entitled to purchase, at the exercise price, that number of shares of common stock of the acquiring company, which would have a market value of two times the exercise price of the Right.

Following is an analysis of common shares reserved for stock options under the Company's 1974 and 1984 Stock Option Plans as Amended:

	SHARES	PRICE RANGE
AT DECEMBER 31, 1990	3,659,859	\$ 4.23-36.06
Grants	898,650	32.06
Exercises	(226,155)	4.78-36.06
Expirations and cancellations	(35,890)	8.22-36.06
AT DECEMBER 31, 1991	4,296,464	\$ 4.78-36.06
Grants	603,325	27.31-33.38
Exercises	(133,636)	4.78-31.56
Expirations and cancellations	(257,050)	26.81-36.06
AT DECEMBER 31, 1992	4,509,103	\$ 8.22-36.06
Grants	263,350	27.56
Exercises	(30,970)	9.62-27.85
Expirations and cancellations	(545,375)	17.75-36.06
AT DECEMBER 31, 1993	4,196,108	\$ 9.62-36.06
	=====	=====

At December 31, 1993 3,960,758 options were exercisable. The Company's 1984 Stock Option Plan as Amended expired in April 1993 and no further options were granted thereafter.

The Board of Directors has approved the Company's 1994 Stock Option Plan subject to shareholder approval at the annual meeting. Subject to shareholder approval, 280,000 options and 30,000 restricted stock awards were granted in 1993 under the Plan.

11. FOREIGN AFFILIATES

Realized and unrealized net foreign exchange losses aggregating \$38.1, \$22.8 and \$11.6 were charged against net income in 1993, 1992 and 1991, respectively.

At December 31, 1993 and 1992 the Company had foreign currency contracts and swaps aggregating \$285.4 and \$531.9, respectively, which expire within three years. The aggregate fair value of these financial instruments at December 31, 1993 and 1992 was \$45.5 and \$55.0, which represents a gain in the value of these contracts. These gains offset an equal amount of deferred foreign currency translation losses at year end.

12. OPERATIONS BY INDUSTRY SEGMENT

Information about the Company's industry and geographic segments is provided on pages 24-26 and is an integral part of the consolidated financial statements.

13. SUPPLEMENTAL INFORMATION

	1993	1992	1991
Maintenance and repairs	\$133.6	\$134.4	\$134.1
Depreciation and amortization (including amortization of \$39.2, \$47.1 and \$48.1, respectively)	224.0	227.6	216.9
Advertising and promotions (including promotions of \$531.9, \$519.6 and \$468.0, respectively)	735.5	698.0	603.3
Research and development	31.9	30.8	30.3
Rent	81.3	82.3	86.2

14. COMMITMENTS

A wholly owned subsidiary as general partner of Borden Chemicals and Plastics Limited Partnership (BCP) has certain fiduciary responsibilities to BCP's unitholders. The Company believes that such responsibilities will not have a material adverse effect on its financial condition.

15. QUARTERLY FINANCIAL DATA (UNAUDITED)

1993 Quarters*	First	Second	Third	Fourth**
Net sales	\$1,297.6	\$1,352.5	\$1,386.4	\$1,469.8
Gross profit	351.1	355.1	363.5	358.0
Income from continuing operations	43.7	30.5	8.5	(139.6)
Discontinued operations:				
Loss from operations	(16.5)	(12.0)	(17.9)	(19.4)
Loss on disposal				(490.0)
Net income (loss)	9.2	18.5	(9.4)	(649.0)
Per share of common stock:				
Income from continuing operations	.31	.22	.06	(.99)
Discontinued operations:				
Loss from operations	(.11)	(.09)	(.13)	(.14)
Loss on disposal				(3.47)
Net income (loss)	.07	.13	(.07)	(4.60)
Dividends	0.300	0.300	0.150	0.150
Market price range:				
Low	24 1/8	17 5/8	14 3/4	14 3/8
High	29 1/8	27	19 5/8	19 5/8

1992 Quarters*	First	Second	Third	Fourth
Net sales	\$1,397.8	\$1,439.3	\$1,531.8	\$1,502.8
Gross profit	369.1	389.9	395.3	415.5
Income from continuing				

operations	62.5	78.3	(214.1)	34.6
Discontinued operations:				
Loss from operations	(4.0)	1.0	(70.9)	(12.0)
Net income (loss)	(181.3)	79.3	(285.0)	22.6
Per share of common stock:				
Income from continuing operations	.42	.54	(1.52)	.24
Discontinued operations:				
Loss from operations	(.03)	.01	(.50)	(.08)
Net income (loss)	(1.23)	.55	(2.02)	.16
Dividends	0.285	0.300	0.300	0.300
Market price range:				
Low	31 3/8	29 1/2	26 1/4	26 1/4
High	34 7/8	34 3/4	31 1/8	29 1/2

* Quarterly 1993 income before restatement was \$32.4, or \$.23 per share, in the first quarter, \$27.7, or \$.20 per share, in the second quarter, and \$0.2, or \$.00 per share, in the third quarter. Quarterly 1992 income before restatement was (\$170.5), or (\$1.15) per share, in the first quarter, \$79.3, or \$.55 per share, in the second quarter, (\$376.8), or (\$2.68) per share, in the third quarter and \$28.4, or \$.20 per share, in the fourth quarter.

** Fourth quarter 1993 results include a pretax gain of \$14.8, \$11.1 after tax, on the sale of a European packaging operation.

The 1993 and 1992 quarterly earnings per share amounts do not add to the annual amounts as a result of differences in average shares outstanding between the quarterly and annual calculations. Quarterly results have been restated to reflect discontinued operations and the effect of accounting changes.

REPORT OF MANAGEMENT

The management of Borden, Inc. is responsible for the preparation of all information, including the financial statements and related notes, included in this Annual Report to Shareholders. The financial statements have been prepared in conformity with generally accepted accounting principles appropriate in the circumstances, and include amounts based on the best judgment of management. Financial information included elsewhere in this Annual Report is consistent with these financial statements.

In recognition of its responsibility for the integrity and objectivity of data in the financial statements, management maintains a system of internal accounting controls. This system includes an organizational structure with clearly defined lines of responsibility and delegation of authority. To assure the effective administration of internal controls, employees are carefully selected and trained, written policies and procedures are developed and disseminated, and appropriate communication channels are provided to foster an environment conducive to the effective functioning of controls.

The system is supported by an internal auditing function that operates worldwide and reports its findings to management throughout the year. The Company's independent accountants are engaged to express an opinion on the year-end financial statements. They objectively and independently review the performance of management in carrying out its responsibility for reporting operating results and financial condition. With the coordinated support of the internal auditors, they review and test the system of internal accounting controls and the data contained in the financial statements.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets regularly with independent accountants, management and internal auditors to review the work performed and to ensure that each is properly discharging its responsibilities. The independent accountants and the internal auditors independently have full and free access to the Committee, without the presence of management, to discuss the results of their examinations, the adequacy of internal accounting controls and the quality of financial reporting.

E. R. Shames
President and
Chief Executive Officer

G. P. Morris
Vice President and
Chief Strategic Officer

REPORT OF INDEPENDENT
ACCOUNTANTS

Price Waterhouse
The Huntington Center
41 South High Street
Columbus, OH 43215

March 20, 1994

Board of Directors and
Shareholders of Borden, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, shareholders' equity and of cash flows present fairly in all material respects, the financial position of Borden, Inc. and its subsidiaries at December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

The 1992 consolidated financial statements have been revised as described in Note 3. Further, as discussed in Note 9 to the consolidated financial statements, in 1993 the Company changed its method of accounting for postemployment benefits to conform with Statement of Financial Accounting Standards No. 112.

FIVE YEAR SELECTED FINANCIAL DATA

(All dollar and share amounts in millions--except per share data)

For the Years	1993	1992	1991	1990	1989
SUMMARY OF EARNINGS					
Net sales	\$ 5,506.3	\$ 5,871.7	\$ 5,924.1	\$ 6,272.6	\$ 6,391.5
Net (loss) income	(630.7)	(364.4)	294.9	319.6	(16.6)
Percent of net income to sales	*	*	5.0%	5.1%	*
Net (loss) income per common share	\$ (4.47)	\$ (2.54)	\$ 2.00	\$ 2.16	\$ (0.11)
Dividends:					
Common share	\$ 0.90	\$ 1.185	\$ 1.12	\$ 1.035	\$ 0.90
Preferred series B share	1.32	1.32	1.32	1.32	1.32
Average number of common shares outstanding during the year	141.0	143.4	147.6	147.9	148.2
FINANCIAL STATISTICS					
Capital expenditures	\$ 177.0	\$ 286.2	\$ 376.0	\$ 331.1	\$ 244.0
Inventories	490.4	641.1	655.4	665.5	664.0
Property, plant and equipment, net	1,336.7	1,788.1	1,903.7	1,706.8	1,441.5
Depreciation and amortization	224.0	227.6	216.9	197.3	186.0
Total assets	3,871.7	5,246.0	5,461.3	5,284.3	4,824.9
Current assets	1,290.2	1,927.5	1,921.2	2,026.1	2,011.4
Current liabilities	1,371.5	1,807.8	1,413.7	1,847.0	1,466.4
Working capital	(81.3)	119.7	507.5	179.1	545.0
Current ratio	0.9:1	1.1:1	1.4:1	1.1:1	1.4:1
Long-term debt	\$ 1,240.8	\$ 1,329.9	\$ 1,345.8	\$ 1,339.8	\$ 1,440.6
Total debt to adjusted total capitalization	69%	55%	41%	53%	51%
Shareholders' equity	\$ 245.9	\$ 1,126.3	\$ 1,974.5	\$ 1,841.6	\$ 1,689.4
Liquidating value of preferred stock	(.2)	(.2)	(.2)	(.2)	(.2)
Equity per common share at year end	1.74	8.01	13.39	12.50	11.41
Return on average shareholders' equity	*	*	15.6%	18.3%	*
SHAREHOLDERS' DATA					
Outstanding common shares at year end	141.4	140.6	147.5	147.3	148.0
Market price of common stock:					
At year end	\$ 17	\$ 28 5/8	\$ 32 5/8	\$ 29 7/8	\$ 34 3/8
Range during year	29 1/8-14 3/8	34 7/8-26 1/4	38 3/4-27 1/2	37 7/8-27	38 5/8-27 3/4
Number of common shareholders	40,927	38,953	39,234	39,010	39,098
EMPLOYEE DATA					
Payroll	\$ 1,116.4	\$ 1,123.8	\$ 1,133.6	\$ 1,135.5	\$ 1,070.2
Average number of employees	39,500	41,900	44,400	46,300	46,500

Results for 1989 and 1990 have been restated to consistently present marketing expenses.

*Not meaningful because of net loss.

BORDEN, INC.
SUBSIDIARIES OF REGISTRANT

Subsidiaries of Registrant	The percentage of voting securities owned, or other basis of control	State of other jurisdiction of incorporation or organization
Albadoro S.p.A.	100	Italy
Monder Aliment S.p.A.	100	Italy
Alisa, S.A.	95	Colombia
BCP Management, Inc.	100	Delaware
BDS Two, Inc.	100	Delaware
BDS Three, Inc.	100	Delaware
BDH One, Inc.	100	Delaware
Borden Realty UK Limited	100	United Kingdom
Borden Redevelopment Corp	100	Missouri
Borden, S.A.	100	Panama
Broex, S.A.	50	Panama
Gallina Blanca, S.A.	50	Spain
Paty Produtos Alimenticios Ltda.	100	Brazil
Borden U.K. Holdings, Ltd.	100	New Jersey
Borden U.K. Limited	100	United Kingdom
Borden (Bray) Ltd.	100	Ireland
Borden Decorative Products Limited	100	United Kingdom
Borden Wallcoverings Pension Trustees Limited	100	United Kingdom
Crown Wallcoverings-Borden Pension Trustee Ltd.	100	United Kingdom
Borden Peterlee, Limited	100	United Kingdom
Borden UK Common Investment Fund Trustees Limited	100	United Kingdom
Humbrol Limited	100	United Kingdom
Gregg Foods of Garden Grove, Inc.	100	Delaware
Harris Ocean Fresh Company	100	South Carolina
International Gourmet Specialties Company	100	New Jersey
International Packaging Corporation S.A.	100	Luxembourg
C&F Immobilien-Verwaltungs GMBH	100	Germany
Cofin Folien GmbH	100	Germany
Cofin Hellas, S.A.	100	Greece
Fiap France, S.A.	100	France
Interbusco Ltd.	50	United Kingdom
Pami Immobiliere, S.A.	100	France
Jays Foods, Inc.	100	Illinois

BORDEN, INC.
SUBSIDIARIES OF REGISTRANT

Subsidiaries of Registrant -----	The percentage of voting securities owned, or other basis of control -----	State of other jurisdiction of incorporation or organization -----
Meadow Gold Dairies Holding Company	100	Delaware
Meadow Gold Dairies, Inc.	100	Delaware
Merlino's Macaroni, Inc.	100	Washington
Orleans Food Company	100	Delaware
Pastas Alimenticias La Imperial, S.A.	100	Panama
Alimentos Nutritivos S.A.	100	Panama
Naxos S.A.	100	Panama
Re-Mi Foods, Inc.	100	Delaware
Starflake Foods Company, Inc.	100	New York
Suministros Generales y Miel Espanola, S.A.	50	Spain
Preparados Alimenticios, S.A.	50	Spain
Superior Dairies, Inc.	100	Texas
Wholesome Dairy, Inc.	100	Texas
BDH Two, Inc.	100	Delaware
BDS One, Inc.	100	Delaware
BFE Corp.	100	Delaware
BFI Ltd., L.P.	100	Delaware
Borden Australia (Pty.) Ltd.	100	Australia
Borden Belgium, N.V.	100	Belgium
Bordex (Belgium) S.A.	100	Belgium
Borden Company A/S, The	100	Denmark
Cocio Chokolademaelk A/S	100	Denmark
Borden Ost A/S	100	Denmark
Borden Company Limited, The	100	Canada
Borden Company Limited The	100	Ireland
Borden Foods Limited	100	Ireland
Borden International Packaging Ltd.	70	Ireland
Borden Exports Limited	100	Ireland
Humpty Dumpty Foods Limited	100	Ontario
Borden De Costa Rica S.A.	100	Costa Rica
Borden Espana, S.A.	100	Spain
Borden France, S.A.	100	France
Borden Barnier S.A.	100	France
Borden Export Products S.A.	100	France
Borden Packaging France S.A.	100	France
Borden Plastics S.A.	100	France

BORDEN, INC.
SUBSIDIARIES OF REGISTRANT

Subsidiaries of Registrant:	The percentage of voting securities owned, or other basis of control	State or other jurisdiction of incorporation or organization
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Borden International (Europe) Ltd.	100	Delaware
Borden International Inc.	100	Delaware
Borden International Philippines, Inc.	98	Philippines
Borden Japan, Inc.	100	Japan
Borden (Nederland), B.V.	100	Netherlands
Bordex, B.V.	100	Netherlands
Borden Thermoforming, B.V.	100	Netherlands
Business Inflight Services B.V.	50	Netherlands
Thompack, B.V.	100	Netherlands
Borden (NZ) Limited	100	New Zealand
Borden (Proprietary) Limited	100	South Africa
Babelegi Processing (Pty.) Ltd.	100	South Africa
Borden Foods (Pty.) Ltd.	100	South Africa
Borden Puerto Rico, Inc.	100	New York
Borden Scandanavia A/S	100	Norway
Borges, GmbH	100	Germany
Compania Casco S.A. Industrial y Commercial	99	Argentina
Compania Colombiana de Alimentos Lacteos, S.A.	100	Colombia
Compania Internacional de Ventas, S.A.	100	Panama
Adria Produtos Alimenticios Ltda.	100	Brazil
The Wenham Corp., S.A.	100	Uruguay
Alba Amazonia S.A. Industrias Quimicas	100	Brazil
Alba Nordeste Industrias Quimica Ltda.	100	Brazil
Vicaplast Industria e Comercio de Plastico Ltda.	100	Brazil
Alba Quimica Industria e Comercio Ltda.	100	Brazil
Bexley Finance, S.A.	100	Panama
Bexley Comercio e Participacao Ltda.	100	Brazil
Borden Chemical (M.) Sdn. Bhd.	100	Malaysia
Compania Chiricana de Leche, S.A.	96.8	Panama
Compania Quimica Borden, S.A.	100	Panama
Compania Quimica borden Ecuatoriana, S.A.	83.3	Ecuador
Fabrica de Productos Borden, S.A.	100	Panama
F.I.A.P. Fabrica Italiana Articoli Plastici S.p.A.	100	Italy
Cistefra S.r.l.	100	Italy
FIAP Deutschland GmbH	100	Germany
FIAP Hellas Ltd.	100	Greece
Maite S.p.A.	100	Italy
Metur S.r.l.	100	Italy
Termofin S.p.a.	100	Italy

BORDEN, INC.
SUBSIDIARIES OF REGISTRANT

Subsidiaries of Registrant:	The percentage of voting securities owned, or other basis of control	State or other jurisdiction of incorporation or organization
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Food and Snack Holdings (Singapore) Pte. Ltd.	50	Singapore
Borden Foods (Malaysia) Sdn. Bhd.	50	Malaysia
Gun Ei Borden International Resin Co. Ltd.	50	Japan
Helados Borden, S.A.	100	Panama
Hitachi Borden Chemical Products, Inc.	50	Japan
Industrias la Famosa, Inc.	100	New Jersey
Coco Lopez U.S.A., Inc.	100	Maryland
Codoveca C. por A.	100	Dominican Republic
Productos del Tropico C. Por A.	100	Dominican Republic
Italcolor, S.A.	100	Uruguay
Marshland Energy, Inc.	100	New Jersey
Nedrob Affiliates, Inc.	100	Delaware
Nutrinsa, S.A.	100	Ecuador
One Nedrob, Inc.	100	Delaware
Orchard Corporation of Hong Kong, The	100	Hong Kong
Productos Borden, inc.	100	New Jersey
Chevy Chase, Inc.	100	Puerto Rico
Frozen Desserts, Inc.	100	Delaware
Qihe Dairy Corp. Ltd	50	Republic of China
Resinite (South Africa) Pty. Ltd.	100	South Africa
Snacks Distributors, Inc.	100	New Jersey
T.M.I. Associates, L.P.	77.28	Delaware
Wilhelm Weber, GmbH	100	Germany
Grossbackerei Kamps GmbH	100	Germany
Kamps Backwaren Service GmbH	100	Germany
Grossbackerei Nuschelberg GmbH	100	Germany
W. Klemme, GmbH and Co. K.G.	50	Germany
Lecker Baecker GmbH	100	Germany
Nur Hier Grossbackerei GmbH	100	Germany
Stefansback Backwaren GmbH	100	Germany
Weber-FSV Kft	50	Hungary
Zeelandia Investerings Partnership	95.2	New York
T.K. Partner, Inc.	100	Delaware
Zip Corporation	100	Delaware
Zcan Investments Ltd.	100	Canada

NOTE: The above subsidiaries have been included in Borden's Consolidated Financial Statements on a consolidated or equity basis as appropriate. The names of certain subsidiaries, active and inactive, included in the Consolidated Financial Statements and of certain other subsidiaries not included therein, are omitted since when considered in the aggregate as a single subsidiary they do not constitute a significant subsidiary.