

# AON PLC

## FORM S-3

(Securities Registration Statement (simplified form))

Filed 04/21/98

Telephone	(44) 20 7623 5500
CIK	0000315293
Symbol	AON
SIC Code	6411 - Insurance Agents, Brokers, and Service
Industry	Insurance (Miscellaneous)
Sector	Financial
Fiscal Year	12/31

# AON CORP

## FORM S-3

(Securities Registration Statement (simplified form))

Filed 4/21/1998

Address	200 EAST RANDOLPH STREET CHICAGO, Illinois 60601
Telephone	312-381-1000
CIK	0000315293
Industry	Insurance (Miscellaneous)
Sector	Financial
Fiscal Year	12/31

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**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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

**AON CORPORATION**

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

**DELAWARE**

(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)

6399

(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)

36-3051915

(I.R.S. EMPLOYER IDENTIFICATION NO.)

123 N. Wacker Drive  
Chicago, Illinois 60606  
(312) 701-3000

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,  
**OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES**)

Raymond I. Skilling  
Executive Vice President and Chief Counsel  
123 N. Wacker Drive  
Chicago, Illinois 60606  
(312) 701-3000

Copy to:  
Janet E. Bauman, Esq.  
Sidley & Austin  
One First National Plaza  
Chicago, Illinois 60603  
(312) 853-7000

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,  
**OF AGENT FOR SERVICE**)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: At such time or times on or after the effective date of this Registration Statement as the Selling Stockholder shall determine.

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

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

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

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

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

### CALCULATION OF REGISTRATION FEE

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Title of Each Class of Securities To be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount Of Registration Fee
Common Stock, par value \$1.00 per share	369,000	\$66.75	\$24,630,750	\$7,267(1)

(1) The fee was calculated pursuant to Rule 457(c) under the Securities Act of 1933 and was based on the average of the high and low prices of the Common Stock on the New York Stock Exchange on April 20, 1998.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with

Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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

+++++  
**SUBJECT TO COMPLETION, DATED APRIL 21, 1998**

**PROSPECTUS**

**369,000 SHARES**

**AON CORPORATION**

**COMMON STOCK, PAR VALUE \$1.00 PER SHARE**

This Prospectus relates to 369,000 shares (the "Shares") of common stock, par value \$1.00 per share ("Common Stock"), of Aon Corporation, a Delaware corporation (the "Company"). The shares to which this Prospectus relates may be offered and sold from time to time by the stockholder specified in this Prospectus (the "Selling Stockholder"). See "Selling Stockholder and Plan of Distribution."

The Common Stock is traded on the New York Stock Exchange under the symbol "AOC." The Common Stock is also listed for trading on the Chicago Stock Exchange and the International Stock Exchange London.

The Shares may be sold by the Selling Stockholder directly or through agents designated from time to time or through underwriters or dealers. See "Selling Stockholder and Plan of Distribution." If required, the names of any such agents or underwriters involved in the sale of the Shares in respect of which this Prospectus is being delivered and the applicable agent's commission, dealer's purchase price or underwriter's discount, if any, will be set forth in an accompanying supplement to this Prospectus (the "Prospectus Supplement").

The Selling Stockholder will receive all of the net proceeds from the sale of the Shares offered hereby and will pay all underwriting discounts and selling commissions, if any, applicable to the sale of the Shares.

The Selling Stockholder and any broker-dealers, agents or underwriters which participate in the distribution of the Shares may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and any commission received by them or purchase by them of the Shares at a price less than the initial price to the public may be deemed to be underwriting commissions or discounts under the Securities Act. See "Selling Stockholder and Plan of Distribution."

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

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The date of this Prospectus is \_\_\_\_\_, 1998.

FOR NORTH CAROLINA INVESTORS: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF INSURANCE FOR THE STATE OF NORTH CAROLINA (THE "NORTH CAROLINA INSURANCE COMMISSIONER") NOR HAS THE NORTH CAROLINA INSURANCE COMMISSIONER RULED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.

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### **AVAILABLE INFORMATION**

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the regional offices of the Commission located at 7 World Trade Center, Suite 1300, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can also be obtained at prescribed rates by writing to the Public Reference

Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Such material may also be accessed electronically by means of the Commission's home page on the Internet at <http://www.sec.gov>. In addition, such reports, proxy statements and other information can be inspected at the offices of the New York Stock Exchange on which certain of the Company's securities are listed.

This Prospectus constitutes a part of a registration statement on Form S-3 (the "Registration Statement") filed by the Company with the Commission under the Securities Act. This Prospectus does not contain all the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission, and reference is hereby made to the Registration Statement and to the exhibits relating thereto for further information with respect to the Company. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission. Each such statement is qualified in its entirety by such reference.

### **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The Company hereby incorporates by reference in this Prospectus the following reports filed with the Commission pursuant to Section 13 of the Exchange Act:

- (a) the Company's Annual Report on Form 10-K for the year ended December 31, 1997; and
- (b) the description of the Company's Common Stock contained in Item 12 of the Registration Statement on Form 10 of the Registrant (formerly Combined International Corporation), filed on February 19, 1980, and any amendments or reports filed for the purpose of updating such descriptions which have been filed by the Company with the Commission, including the Company's Current Report on Form 8-K dated April 23, 1987.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the securities offered hereby shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents.

This Prospectus incorporates documents by reference which are not presented herein or delivered herewith. These documents (other than exhibits to such documents not specifically incorporated by reference therein) are available upon request from Aon Corporation, 123 North Wacker Drive, Chicago, Illinois 60606, telephone: (312) 701-3000, Attention: Corporate Secretary.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

As used herein, the terms "Prospectus" and "herein" mean this Prospectus, including the documents incorporated or deemed to be incorporated herein by reference, as the same may be amended, supplemented or otherwise modified from time to time. Statements contained in this Prospectus as to the contents of any contract or other document referred to herein do not purport to be complete, and where reference is made to the particular provisions of such contract or other document, such provisions are qualified in all respects by reference to all of the provisions of such contract or other document.

### **THE COMPANY**

The Company is an insurance services holding company that comprises a family of insurance brokerage, consulting and consumer insurance companies. Through its insurance brokerage operations, the Company offers commercial insurance brokerage, alternative risk solutions, risk management, employee benefit and human resources consulting and managing general underwriting services. In addition, the Company's insurance underwriting businesses provide a variety of insurance products, including accident and health coverage, traditional life insurance and extended warranties. The Company's revenues were \$5.8 billion in 1997. Based on 1997 insurance brokerage and consulting revenues, management believes that the Company is the second largest insurance brokerage company in the world.

The principal executive offices of the Company are located at 123 N. Wacker Drive, Chicago, Illinois 60606-1700, and its telephone number is (312) 701-3000.

### **USE OF PROCEEDS**

The Company will not receive any of the proceeds from the sale of the Shares registered hereunder. All proceeds are for the account of the Selling Stockholder. See "Selling Stockholder and Plan of Distribution."

## PRICE RANGE OF COMMON STOCK AND DIVIDENDS PAID

The Common Stock of the Company is listed on the New York Stock Exchange under the symbol "AOC." The Common Stock is also listed for trading on the Chicago Stock Exchange and the International Stock Exchange London. The last reported sale price of the Common Stock on the New York Stock Exchange Composite Transactions Tape on April 17, 1998 was \$67.50.

The historical prices of and dividends on the Common Stock through April 17, 1998 are shown in the table below (adjusted to give effect to the three-for-two stock split in May 1997).

	High ----	Low ---	Cash Dividends Paid -----
1995			
1st quarter.....	\$25.000	\$20.917	\$.20
2nd quarter.....	25.333	23.750	.23
3rd quarter.....	27.833	24.167	.23
4th quarter.....	33.917	27.000	.23
1996			
1st quarter.....	\$36.875	\$32.500	\$.23
2nd quarter.....	37.250	33.250	.24
3rd quarter.....	36.375	31.625	.24
4th quarter.....	43.125	36.000	.24
1997			
1st quarter.....	\$44.875	\$40.625	\$.24
2nd quarter.....	53.375	40.188	.26
3rd quarter.....	56.125	50.063	.26
4th quarter.....	58.875	50.250	.26
1998			
1st quarter.....	\$66.188	\$54.813	\$.26
2nd quarter (through April 17, 1998).....	67.563	65.938	.28(1)

(1) On March 20, 1998, the Board of Directors of the Company declared a dividend of \$.28 per share of Common Stock payable on May 18, 1998 to holders of record as of the close of business on May 5, 1998.

In determining the amount and timing of future dividends of Common Stock, the Board of Directors will consider such factors as the Company's financial condition, certain restrictions on dividend payments contained in various debt instruments and such other factors as the Board may from time to time deem relevant. For dividends payable upon the Company's outstanding preferred stock, see "Description of Capital Stock."



## DESCRIPTION OF CAPITAL STOCK

Under the Second Restated Certificate of Incorporation, as amended, of the Company (the "Certificate of Incorporation"), the authorized capital stock of the Company consists of 300,000,000 shares of Common Stock and 25,000,000 shares of serial Preferred Stock, par value \$1.00 per share. As of February 25, 1998, approximately 167,971,048 shares of Common Stock were issued and outstanding (exclusive of shares of Common Stock owned by affiliates of the Company). In addition, the Company has 1 million shares of Series C Cumulative Preferred Stock (the "Series C Preferred Stock") outstanding.

The Board of Directors is authorized by the Certificate of Incorporation, without first obtaining the approval of the holders of the Common Stock or any series of Preferred Stock, to issued Preferred Stock from time to time in series and to establish as to each series the designation and number of shares to be issued, the dividend rate, the redemption price and terms (if any), the amount payable upon voluntary or involuntary dissolution, sinking fund provisions (if any), the terms of the conversion or exchange into any other class or series of shares (if any), and any other preferences, special rights, qualifications limitations or restrictions thereof. With respect to liquidation and dividend rights, holders of Common Stock are subordinate to holders of the Series C Preferred Stock and may also be subordinate to the holders of any additional series of Preferred Stock issued by the Company by action of the Board of Directors.

The Series C Preferred Stock pays an annual dividend of \$2.55 per share, paid quarterly. The terms for the Series C Preferred Stock provide that the Company will be entitled to, and the holder(s) of such stock will have the right to require the Company to, redeem such stock at \$50.00 per share on or after the later of February 9, 1999 or the first anniversary of the death of the later of the two initial holders to die.

At every meeting of stockholders, the holders of Common Stock and Series C Preferred Stock shall have the right to vote in the election of directors and upon each other matter coming before any meeting of the stockholders on the basis of one vote for each share of Common Stock and Series C Preferred Stock held.

The holders of Common Stock have no preemptive rights, cumulative voting rights or subscription rights. In the event of any liquidation, dissolution or winding up of the business of the Company, whether voluntary or involuntary, the holders of Common Stock shall be entitled, after payment or provision for payment of the debts and other liabilities of the Company and the amount of any liquidation preference to which the holders of Series C Preferred Stock (and any other series of Preferred Stock that may from time to time be issued) are entitled, to share ratably in the remaining net assets of the Company.

Subject to the prior rights of the holders of the Series C Preferred Stock (and any other series of Preferred Stock that may from time to time be issued), the holders of Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Company, out of the funds legally available therefor, dividends payable either in cash, in property, or in Common Stock.

First Chicago Trust Company of New York is the transfer agent and registrar for the Common Stock.

## SELLING STOCKHOLDER AND PLAN OF DISTRIBUTION

The 369,000 shares of Common Stock (the "Shares") being offered hereby are being offered and sold by Robert A. Meister (the "Selling Stockholder"). The Selling Stockholder does not own any shares of Common Stock other than the Shares.

On January 19, 1994, the Company purchased shares representing 80% of the issued and outstanding common stock (after giving effect to such purchase) of N.B. Life Agents, Inc., a New York corporation ("NBL"), from NBL. Prior to such purchase, the Selling Stockholder owned 100% of the issued and outstanding common stock of NBL. Simultaneously with such purchase: (i) pursuant to a promissory note, NBL loaned the Selling Stockholder \$6,000,000 (\$1,800,000 of which was forgiven on January 19, 1997 in accordance with the terms of such promissory note); (ii) NBL issued 6,500 shares of preferred stock to the Selling Stockholder; (iii) the Selling Stockholder pledged such preferred stock to secure his obligations under the promissory note; (iv) the Selling Stockholder entered into an employment agreement with NBL pursuant to which, among other things, NBL agreed to employ the Selling Stockholder as the Vice Chairman of the Board of NBL for a term ending December 31, 2008 (unless earlier terminated pursuant to the terms of such employment agreement); and (v) the Selling Stockholder and the Company entered into a Put and Call Agreement pursuant to which the Selling Stockholder had the right (exercisable from January 19, 1996 to July 19, 1996) to require the Company to exchange 360,000 shares (as adjusted for prior stock splits) of Common Stock for the Selling Stockholder's equity interest in NBL (including common and preferred stock) and the Company had the right (exercisable from July 19, 1996 to January 19, 1997) to exchange 378,000 shares (as adjusted for prior stock splits) of Common Stock for the Selling Stockholder's equity interest in NBL. Pursuant to an agreement dated as of July 1, 1997, the Company exchanged 369,000 shares of Common Stock for the Selling Stockholder's equity interest in NBL. In connection therewith, the Company agreed to use its best efforts to file, upon written request from the Selling Stockholder, and cause to be declared effective as promptly as practicable thereafter, and to keep continuously effective until the earlier of the first anniversary of the date of such written request or the date that the Selling Stockholder disposes of all of such shares, a registration statement on Form S-3 under the Securities Act with respect to such shares.

The Selling Stockholder continues to serve as Vice Chairman of the Board of **NBL**.

The Shares may be offered for sale from time to time by the Selling Stockholder or by his pledgees, donees, transferees or other successors in interest, to or through underwriters or directly to other purchasers or through agents in one or more transactions on any Exchange on which the Common Stock is traded, in the over-the-counter market, in one or more private transactions or in a combination of such methods of sale, at prices and on terms then prevailing, at prices related to such prices or at negotiated prices. Such methods of distribution may include, without limitation, (a) a distribution through underwriting syndicates represented by one or more managing underwriters, or by one or more underwriters without a syndicate; (b) a block trade in which an agent will attempt to sell the Shares as agent but may position and resell a portion of the block as principal to facilitate the transaction; (c) purchases by one or more brokers or dealers as principals and resale by such brokers or dealers for their own account at fixed or varying prices; (d) a distribution in accordance with the rules of the applicable Exchange; and (e) ordinary brokerage transactions and transactions in which a broker solicits purchasers. In effecting sales, such brokers may arrange for other brokers or dealers to participate in the resales. This Prospectus may be amended and supplemented from time to time to describe a specific plan of distribution.

In connection with distributions of the Shares or otherwise, the Selling Stockholder may enter into hedging transactions with broker-dealers. In connection with such transactions, broker-dealers may engage in short sales of Common Stock in the course of hedging the positions they assume with the Selling Stockholder. The Selling Stockholder may also sell Common Stock short and redeliver the Shares to close out such short positions. The Selling Stockholder may also enter into option or other transactions with broker-dealers which require the delivery to such broker-dealer of the Shares, which Common Stock such broker-dealer may resell pursuant to this Prospectus. The Selling Stockholder may also pledge the shares registered hereunder to a broker or dealer and, upon a default, such broker or dealer may effect sales of the pledged

Common Stock pursuant to this Prospectus. In addition, any Shares covered by this Prospectus that qualify for sale pursuant to Rule 144 may be sold under Rule 144 under the Securities Act rather than pursuant to this Prospectus.

Underwriters, brokers, dealers or agents may receive compensation in the form of commissions, discounts or concessions from the Selling Stockholder in amounts to be negotiated in connection with sales pursuant hereto. The Selling Stockholder and such brokers or dealers and any other participating brokers or dealers may be deemed to be "underwriters" within the meaning of the Securities Act, in connection with such sales and any such commission, discount or concession may be deemed to be underwriting discounts or commissions under the Securities Act.

Certain of the above-described underwriters, dealers, brokers or agents may engage in transactions with, or perform services for, the Company and its affiliates in the ordinary course of business.

Upon the Company being notified by the Selling Stockholder that any agreement or arrangement has been entered into with a broker-dealer for the sale of Shares through a block trade, special offering or secondary distribution or a purchase by a broker-dealer, to the extent required by applicable law a supplement to this Prospectus will be distributed that will set forth the name(s) of the participating underwriters, dealers or agents, the aggregate amount of the Shares being so offered and the terms of the offering, including all underwriting discounts, commissions and other items constituting compensation from, and the resulting net proceeds to, such Selling Stockholder, all discounts, commissions or concessions allowed or re-allowed or paid to dealers, if any, and, if applicable, the purchase price to be paid by any underwriter for the Shares purchased from the Selling Stockholder.

To comply with the securities laws of certain jurisdictions, if applicable, the Shares will be offered or sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain jurisdictions the Shares may not be offered or sold unless they have been registered or qualified for sale in such jurisdictions or any exemption from registration or qualification is available and is complied with.

The Selling Stockholder will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, which provisions may limit the timing of purchases and sales of any of the Shares by the Selling Stockholder. The foregoing may affect the marketability of the Shares.

#### **VALIDITY OF SECURITIES**

The validity of the Common Stock offered hereby has been passed upon for the Company by Jerome S. Hanner, Senior Counsel and Assistant Secretary of the Company. Mr. Hanner currently owns 3,468 shares of Common Stock, has options to purchase 4,500 shares of Common Stock and holds restricted stock awards of 29,400 shares. In addition, 1,141 shares of Common Stock held by the Company's employee stock ownership plan may be attributed to Mr. Hanner.

## **EXPERTS**

The consolidated financial statements and schedules of the Company, included in and incorporated by reference in the Company's Annual Report (Form 10-K) for the year ended December 31, 1997, have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon included and incorporated by reference therein and incorporated herein by reference. Such consolidated financial statements and schedules are incorporated herein by reference in reliance upon such reports given upon the authority of such firm as experts in accounting and auditing.

No dealer, salesperson or other individual has been authorized to give any information or to make any representations other than those contained or incorporated by reference in this Prospectus in connection with the offer made by this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstance create an implication that there has been no change in the affairs of the Company since the date hereof. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

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**369,000 Shares**

**AON CORPORATION**

**Common Stock**

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**PROSPECTUS**

\_\_\_\_\_, 1998

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**PART II**

**INFORMATION NOT REQUIRED IN PROSPECTUS**

**ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.\***

Registration Fee.....	\$ 7,267
Printing and Engraving Expenses.....	1,000
Legal Fees and Expenses.....	25,000
Accounting Fees and Expenses.....	2,000
 Total.....	 \$35,267
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\*Expenses are estimated except for the registration fee.

**ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.**

The Company was organized under and is subject to the Delaware General Corporation Law. Delaware law provides that officers and directors may receive indemnification from their corporations for certain actual or threatened lawsuits. The Delaware law sets out the standard of conduct which the officers and directors must meet in order to be indemnified, the parties who are to determine whether the standard has been met, and the types of expenditures which will be indemnified. Delaware law further provides that a corporation may purchase indemnification insurance, such insurance providing indemnification for the officers and directors whether or not the corporation would have the power to indemnify them against such liability under the provisions of Delaware law.

The Company has adopted an article within its Second Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), which provides that the Company will indemnify its officers and directors to the full extent permitted by Delaware law.

Furthermore, the Company is covered by insurance which will reimburse it within the policy limits for amounts it is obligated to pay in lawsuits involving officers and directors serving in such capacities in which the damages, judgments, settlements, costs, charges or expenses incurred in connection with the defense of the action, suit or proceeding are reimbursable pursuant to the law and the Certificate of Incorporation of the Company.

**ITEM 16. EXHIBITS.**

**EXHIBIT**

4.1 Second Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(a) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1991).

4.2 Certificate of Amendment of the Registrant's Second Restated Certificate of Incorporation (incorporated by reference to Exhibit 3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994).

4.3 Bylaws of the Registrant (incorporated by reference to Exhibit (d) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1982).

4.4 Certificate of Designation for the Registrant's Series C Cumulative Preferred Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated February 9, 1994).

4.5 Indenture dated September 15, 1992 between the Registrant and Continental Bank Corporation (now known as Bank of America Illinois), as Trustee (incorporated by reference to Exhibit 4(a) to the Registrant's Current Report on Form 8-K dated September 23, 1992).

4.6 Resolutions establishing terms of 6.875% Notes Due 1999 and 7.40% Notes Due 2002 (incorporated by reference to Exhibit 4(d) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).

4.7 Resolutions establishing terms of 6.70% Notes Due 2003 (incorporated by reference to Exhibit 4(c) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1993 (the "1993 Form 10-K")).

4.8 Resolutions establishing terms of 6.30% Notes Due 2004 (incorporated by reference to Exhibit 4(d) to the 1993 Form 10-K).

4.9 Junior Subordinated Indenture dated as of January 13, 1997 between the Registrant and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Amendment No. 1 to the Registration Statement on Form S-4 No. 333-21237 dated March 27, 1997 (the "Capital Securities Registration")).

4.10 First Supplemental Indenture dated as of January 13, 1997 between the Registrant and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.2 to the Capital Securities Registration).

4.11 Amended and Restated Trust Agreement of Aon Capital A dated as of January 13, 1997 among the Registrant, as Depositor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, the Administrative Trustees named therein, and the holders, from time to time, of the 8.205% Capital Securities of Aon Capital A (incorporated by reference to Exhibit 4.5 to the Capital Securities Registration).

4.12 Capital Securities Guarantee Agreement dated as of May 20, 1997 between the Registrant and The Bank of New York, as guarantee trustee.

4.13 Agreement as to Expenses and Liabilities dated as of January 13, 1997 between the Registrant and Aon Capital A (incorporated by reference to Exhibit 4.13 to the Capital Securities Registration).

5 Opinion of Jerome S. Hanner, Senior Counsel and Assistant Secretary of the Registrant.

23 Consent of Ernst & Young LLP.

23.1 Consent of Jerome S. Hanner (included in Exhibit 5).

24 Powers of Attorney (included in the Signatures page of this Registration Statement).

## **ITEM 17. UNDERTAKINGS**

The undersigned Registrant hereby undertakes that insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described under Item 15 above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby further undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

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

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) (Section 230.424(b) of 17 C.F.R.) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

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

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

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

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

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.



## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago, State of Illinois, on April 21, 1998.

### AON CORPORATION

By: /s/ Patrick G. Ryan

-----  
Patrick G. Ryan  
Chairman, President and Chief Executive Officer

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Patrick G. Ryan, Harvey N. Medvin and Raymond I. Skilling, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this Registration Statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<i>Signature</i> -----	<i>Title</i> -----	<i>Date</i> ----
/s/ Patrick G. Ryan ----- Patrick G. Ryan	Chairman, President, Chief Executive Officer and Director (principal executive officer)	April 21, 1998
/s/ Harvey N. Medvin ----- Harvey N. Medvin	Executive Vice President and Chief Financial Officer (principal financial and accounting officer)	April 21, 1998
/s/ Daniel T. Carroll ----- Daniel T. Carroll	Director	April 21, 1998

<i>/s/ Franklin A. Cole</i> ----- <i>Franklin A. Cole</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Edgar D. Jannotta</i> ----- <i>Edgar D. Jannotta</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Perry J. Lewis</i> ----- <i>Perry J. Lewis</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Andrew J. McKenna</i> ----- <i>Andrew J. McKenna</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Newton N. Minow</i> ----- <i>Newton N. Minow</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Richard C. Notebaert</i> ----- <i>Richard C. Notebaert</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Donald S. Perkins</i> ----- <i>Donald S. Perkins</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ John W. Rogers, Jr.</i> ----- <i>John W. Rogers, Jr.</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ George A. Schaefer</i> ----- <i>George A. Schaefer</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Raymond I. Skilling</i> ----- <i>Raymond I. Skilling</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Fred L. Turner</i> ----- <i>Fred L. Turner</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Arnold R. Weber</i> ----- <i>Arnold R. Weber</i>	<i>Director</i>	<i>April 21, 1998</i>
<i>/s/ Carolyn Y. Woo</i> ----- <i>Carolyn Y. Woo</i>	<i>Director</i>	<i>April 21, 1998</i>

## EXHIBIT INDEX

### EXHIBIT

- 4.1 Second Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(a) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1991).
- 4.2 Certificate of Amendment of the Registrant's Second Restated Certificate of Incorporation (incorporated by reference to Exhibit 3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994).
- 4.3 Bylaws of the Registrant (incorporated by reference to Exhibit (d) to the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1982).
- 4.4 Certificate of Designation for the Registrant's Series C Cumulative Preferred Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated February 9, 1994).
- 4.5 Indenture dated September 15, 1992 between the Registrant and Continental Bank Corporation (now known as Bank of America Illinois), as Trustee (incorporated by reference to Exhibit 4(a) to the Registrant's Current Report on Form 8-K dated September 23, 1992).
- 4.6 Resolutions establishing terms of 6.875% Notes Due 1999 and 7.40% Notes Due 2002 (incorporated by reference to Exhibit 4(d) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).
- 4.7 Resolutions establishing terms of 6.70% Notes Due 2003 (incorporated by reference to Exhibit 4(c) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1993 (the "1993 Form 10-K")).
- 4.8 Resolutions establishing terms of 6.30% Notes Due 2004 (incorporated by reference to Exhibit 4(d) to the 1993 Form 10-K).
- 4.9 Junior Subordinated Indenture dated as of January 13, 1997 between the Registrant and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Amendment No. 1 to the Registration Statement on Form S-4 No. 333-21237 dated March 27, 1997 (the "Capital Securities Registration")).
- 4.10 First Supplemental Indenture dated as of January 13, 1997 between the Registrant and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.2 to the Capital Securities Registration).
- 4.11 Amended and Restated Trust Agreement of Aon Capital A dated as of January 13, 1997 among the Registrant, as Depositor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, the Administrative Trustees named therein, and the holders, from time to time, of the 8.205% Capital Securities of Aon Capital A (incorporated by reference to Exhibit 4.5 to the Capital Securities Registration).
- 4.12 Capital Securities Guarantee Agreement dated as of May 20, 1997 between the Registrant and The Bank of New York, as guarantee trustee.
- 4.13 Agreement as to Expenses and Liabilities dated as of January 13, 1997 between the Registrant and Aon Capital A (incorporated by reference to Exhibit 4.13 to the Capital Securities Registration).
- 5 Opinion of Jerome S. Hanner, Senior Counsel and Assistant Secretary of the Registrant.
- 23 Consent of Ernst & Young LLP.
- 23.1 Consent of Jerome S. Hanner (included in Exhibit 5).
- 24 Powers of Attorney (included in the Signatures page of this Registration Statement).

**CAPITAL SECURITIES GUARANTEE AGREEMENT**

**Between**

**AON CORPORATION**  
(as Guarantor)

and

**THE BANK OF NEW YORK**  
(as Trustee)

dated as of

May 20, 1997

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**CROSS-REFERENCE TABLE\***

Section of Trust Indenture Act of 1939, as amended	Section of Capital Securities Guarantee Agreement
310(a)	4.1(a)
310(b)	4.1(c), 2.8
310(c)	Inapplicable
311(a)	2.2(b)
311(b)	2.2(b)
311(c)	Inapplicable
312(a)	2.2(a)
312(b)	2.2(b)
313	2.3
314(a)	2.4
314(b)	Inapplicable
314(c)	2.5
314(d)	Inapplicable
314(e)	1.1, 2.5, 3.2
315(a)	3.1(d)
315(b)	2.7
315(c)	3.1(c)
315(d)	3.1(d)
316(a)	1.1, 2.6, 5.4
316(b)	5.4
316(c)	8.2
317(a)	Inapplicable
317(b)	Inapplicable
318(a)	2.1(b)

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\* This Cross-Reference Table does not constitute part of the Capital Securities Guarantee Agreement and shall not affect the interpretation of any of its terms or provisions.

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## CAPITAL SECURITIES GUARANTEE AGREEMENT

THIS CAPITAL SECURITIES GUARANTEE AGREEMENT, dated as of May 20, 1997 (the "Guarantee Agreement"), is executed and delivered by Aon Corporation, a Delaware corporation (the "Guarantor"), and The Bank of New York, a New York banking corporation, as trustee (the "Guarantee Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Capital Securities (as defined herein) of Aon Capital A, a Delaware statutory business trust (the "Issuer").

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated as of January 13, 1997 (the "Trust Agreement"), among the Guarantor, as Depositor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, the Administrative Trustees named therein and the holders, from time to time, of undivided beneficial interests in the assets of the Issuer, the Issuer issued \$800,000,000 aggregate Liquidation Amount (as defined in the Trust Agreement) of its 8.205% Capital Securities, Liquidation Amount \$1,000 per Capital Security (the "Old Capital Securities") representing preferred undivided beneficial interests in the assets of the Issuer and having the terms set forth in the Trust Agreement;

WHEREAS, the proceeds from the issuance of the Old Capital Securities, together with the proceeds from the issuance of the Issuer's Common Securities (as defined in Section 1.1), were used to purchase the Debentures (as defined in the Trust Agreement) of the Guarantor which were deposited with The Bank of New York, as Property Trustee, under the Trust Agreement, as trust assets;

WHEREAS, as an incentive for the Holders to purchase the Old Capital Securities, the Guarantor irrevocably and unconditionally agreed, to the extent set forth in that certain Capital Securities Guarantee Agreement dated as of January 13, 1997 (the "Old Guarantee Agreement") between the Guarantor and the Guarantee Trustee, for the benefit of the Holders of the Old Capital Securities, to pay to the Holders of the Old Capital Securities the Guarantee Payments (as defined therein) (the "Old Guarantee") and to make certain other payments on the terms and conditions set forth therein;

WHEREAS, pursuant to that certain Guarantee Exchange and Registration Rights Agreement, dated as of January 13, 1997 (the "Guarantee Exchange and Registration Rights Agreement"), among the Guarantor, the Issuer and certain Purchasers named therein, the Guarantor and the Issuer agreed that if the Guarantor and the Issuer file a registration statement (the "Registration Statement") to exchange the Old Capital Securities for a like aggregate Liquidation Amount of new 8.205% Capital Securities, Liquidation Amount \$1,000 per Capital Security (the "New Capital Securities" and, together with the Old Capital Securities, the "Capital Securities"), then the Guarantor and the Issuer will simultaneously include in the Registration Statement an offer to exchange the Old Guarantee for the Guarantee (as defined herein) for the benefit of the Holders of the Capital Securities;

WHEREAS, on March 28, 1997, the Registration Statement was declared effective under the Securities Act of 1933, as amended (the "Securities Act");

WHEREAS, pursuant to the Guarantee Exchange and Registration Rights Agreement, the Guarantor and the Issuer wish to exchange the Old Guarantee for the Guarantee;



WHEREAS, the Guarantee is substantially identical to the Old Guarantee except that the Guarantee is registered under the Securities Act pursuant to the Registration Statement and the Guarantee will not contain provisions restricting transfer in the absence of registration under the Securities Act; and

WHEREAS, as required by the Guarantee Exchange Registration Rights Agreement, the Guarantor desires irrevocably and unconditionally to agree, to the extent set forth herein, to pay to the Holders of the Capital Securities the Guarantee Payments (as defined in Section 1.1) and to make certain other payments on the terms and conditions set forth herein.

NOW, THEREFORE, as required by the Guarantee Exchange Registration Rights Agreement, the Guarantor executes and delivers this Capital Securities Guarantee Agreement and pursuant to Section 5.1 hereof extends the Guarantee for the benefit of the Holders from time to time of the Capital Securities.

## **ARTICLE I.**

### **DEFINITIONS**

#### **SECTION 1.1. Definitions**

As used in this Guarantee Agreement, the terms set forth below shall, unless the context otherwise requires, have the following meanings. Capitalized or otherwise defined terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement as in effect on the date hereof.

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

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

"Capital Securities" has the meaning set forth in the preamble to this Guarantee Agreement.

"Common Securities" means the 8.205% Common Securities (Liquidation Amount \$1,000 per Common Security) of the Issuer.

"Event of Default" means a default by the Guarantor on any of its payment or other obligations under this Guarantee Agreement; provided, however, that, except with respect to a default in payment of any Guarantee Payments, the Guarantor shall have received notice of default and shall not have cured such default within 60 days after receipt of such notice.

"Guarantee" has the meaning set forth in Section 5.1.

"Guarantee Payments" means the following payments or distributions, without duplication, with respect to the Capital Securities, to the extent not paid or made by or on behalf of the Issuer: (i) any accumulated and unpaid Distributions (as defined in the Trust Agreement) required to be paid on the Capital Securities, to the extent the Issuer shall have funds on hand available therefor at such time, (ii) the redemption price, including all accrued and unpaid Distributions to but excluding the date of redemption (the "Redemption Price") with respect to any Capital Securities called for redemption by the Issuer, to the extent the Issuer shall have funds on hand available therefor at such time, and (iii) upon a voluntary or involuntary termination, dissolution, winding-up or liquidation of the Issuer, unless Debentures are distributed to the Holders, the lesser of (a) the aggregate of the Liquidation Amount of \$1,000 per Capital Security plus accumulated and unpaid Distributions on the Capital Securities to but excluding the date of payment, to the extent the Issuer shall have funds on hand available therefor at such time, and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer (in either case, the "Liquidation Distribution").

"Guarantee Trustee" means The Bank of New York, until a Successor Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Guarantee Agreement and thereafter means each such Successor Guarantee Trustee.

"Holder" means any holder, as registered on the books and records of the Issuer, of any Capital Securities; provided, however, that in determining whether the holders of the requisite percentage of Capital Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor, the Guarantee Trustee, or any Affiliate of the Guarantor or the Guarantee Trustee.

"Indenture" means the Indenture dated as of January 13, 1997 between the Guarantor and The Bank of New York, as trustee, as supplemented by the First Supplemental Indenture dated as of January 13, 1997, and as may be further supplemented or amended from time to time.

"List of Holders" has the meaning specified in Section 2.2(a).

"Majority in Liquidation Amount of the Securities" means, except as provided by the Trust Indenture Act, a vote by the Holder(s), voting separately as a class, of more than 50% of the Liquidation Amount of all then outstanding Capital Securities issued by the Issuer.

"Officers' Certificate" means, with respect to any Person, a certificate signed by the Chairman of the Board, any Vice Chairman of the Board, the Chief Executive Officer, the President, any Vice Chairman or any Vice President (whether or not designated by a number or a word or words added before or after the title Vice President), and by the Treasurer, an Assistant Treasurer, the Controller, the Secretary or an Assistant Secretary of such Person, and delivered to the Guarantee Trustee. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Guarantee Agreement shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate;

(c) a statement that each officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

"Person" means any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Responsible Officer" means, with respect to the Guarantee Trustee, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary, any Assistant Secretary, any Assistant Treasurer, any trust officer or assistant trust officer or any other officer of the corporate trust department of the Guarantee Trustee and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Successor Guarantee Trustee" means a successor Guarantee Trustee possessing the qualifications to act as Guarantee Trustee under Section 4.1.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

## **ARTICLE II.**

### **TRUST INDENTURE ACT**

#### **SECTION 2.1. Trust Indenture Act; Application.**

(a) This Guarantee Agreement is subject to the provisions of the Trust Indenture Act that are required to be part of this Guarantee Agreement and shall, to the extent applicable, be governed by such provisions.

(b) If and to the extent that any provision of this Guarantee Agreement limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

#### **SECTION 2.2. List of Holders.**

(a) The Guarantor shall furnish or cause to be furnished to the Guarantee Trustee (i) semiannually, not more than five days after January 15 and July 15 of each year, beginning with July 15, 1997, a list, in such form as the Guarantee Trustee may reasonably require, of the names and

addresses of the Holders ("List of Holders") as of a date not more than 15 days prior to the delivery thereof, and (ii) at such other times as the Guarantee Trustee may request in writing, within 30 days after the receipt by the Guarantor of any such request, a List of Holders as of a date not more than 15 days prior to the time such list is furnished, in each case to the extent such information is in the possession or control of the Guarantor and is not identical to a previously supplied list of Holders or has not otherwise been received by the Guarantee Trustee in its capacity as such. The Guarantee Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Guarantee Trustee shall comply with the obligations imposed under Section 311(a), Section 311(b) and Section 312(b) of the Trust Indenture Act as if it were subject to the Trust Indenture Act.

#### SECTION 2.3. Reports by the Guarantee Trustee.

Not later than July 15 of each year, commencing July 15, 1997, the Guarantee Trustee shall provide to the Holders such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form and in the manner provided by Section 313 of the Trust Indenture Act. The Guarantee Trustee shall also comply with the requirements of Section 313(d) of the Trust Indenture Act.

#### SECTION 2.4. Periodic Reports to the Guarantee Trustee.

The Guarantor shall provide to the Guarantee Trustee and the Holders such documents, reports and information, if any, as required by Section 314(a) of the Trust Indenture Act and the compliance certificate required by Section 314 of the Trust Indenture Act, in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

#### SECTION 2.5. Evidence of Compliance with Conditions Precedent.

The Guarantor shall provide to the Guarantee Trustee such evidence of compliance with such conditions precedent, if any, provided for in this Guarantee Agreement that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) of the Trust Indenture Act may be given in the form of an Officers' Certificate.

#### SECTION 2.6. Events of Default; Waiver.

The Holders of a Majority in Liquidation Amount of the Capital Securities may, by vote, on behalf of the Holders, waive any past Event of Default and its consequences. Upon such waiver, any such Event of Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Guarantee Agreement, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent therefrom.

#### SECTION 2.7. Event of Default; Notice.

(a) The Guarantee Trustee shall, within 90 days after the occurrence of an Event of Default, transmit by mail, first-class postage prepaid, to the Holders, notices of all Events of Default

known to the Guarantee Trustee, unless such defaults have been cured or waived before the giving of such notice, provided that, except in the case of a default in the payment of a Guarantee Payment, the Guarantee Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Guarantee Trustee in good faith determines that the withholding of such notice is in the interests of the Holders.

(b) The Guarantee Trustee shall not be deemed to have knowledge of any Event of Default unless the Guarantee Trustee shall have received written notice, or a Responsible Officer charged with the administration of this Guarantee Agreement shall have obtained written notice, of such Event of Default.

#### SECTION 2.8. Conflicting Interests.

The Trust Agreement shall be deemed to be specifically described in this Guarantee Agreement for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

### **ARTICLE III.**

#### **POWERS, DUTIES AND RIGHTS OF THE GUARANTEE TRUSTEE**

##### SECTION 3.1. Powers and Duties of the Guarantee Trustee.

(a) This Guarantee Agreement shall be held by the Guarantee Trustee for the benefit of the Holders, and the Guarantee Trustee shall not transfer this Guarantee Agreement to any Person except to a Holder exercising his or her rights pursuant to Section 5.4(iv) or to a Successor Guarantee Trustee on acceptance by such Successor Guarantee Trustee of its appointment to act as Successor Guarantee Trustee. The right, title and interest of the Guarantee Trustee shall automatically vest in any Successor Guarantee Trustee, upon acceptance by such Successor Guarantee Trustee of its appointment hereunder, and such vesting in the Successor Guarantee Trustee and cessation of right, title and interest with respect to the Guarantee Trustee shall be effective whether or not conveyancing documents have been executed and delivered pursuant to the appointment of such Successor Guarantee Trustee.

(b) If an Event of Default has occurred and is continuing, the Guarantee Trustee shall enforce this Guarantee Agreement for the benefit of the Holders.

(c) The Guarantee Trustee, before the occurrence of any Event of Default and after the curing or waiving of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Guarantee Agreement, and no implied covenants shall be read into this Guarantee Agreement against the Guarantee Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6), the Guarantee Trustee shall exercise such of the rights and powers vested in it by this Guarantee Agreement, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

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

(i) prior to the occurrence of any Event of Default and after the curing or waiving of all such Events of Default that may have occurred:

(A) the duties and obligations of the Guarantee Trustee shall be determined solely by the express provisions of this Guarantee Agreement, and the Guarantee Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Guarantee Agreement; and

(B) in the absence of bad faith on the part of the Guarantee Trustee, the Guarantee Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Guarantee Trustee and conforming to the requirements of this Guarantee Agreement; but in the case of any such certificates or opinions that by any provision hereof or of the Trust Indenture Act (were it applicable hereto) are specifically required to be furnished to the Guarantee Trustee, the Guarantee Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Guarantee Agreement;

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

(iii) the Guarantee Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in Liquidation Amount of the Capital Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee, or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; and

(iv) no provision of this Guarantee Agreement shall require the Guarantee Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if the Guarantee Trustee shall have reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it under the terms of this Guarantee Agreement.

#### SECTION 3.2. Certain Rights of Guarantee Trustee.

(a) Subject to the provisions of Section 3.1:

(i) The Guarantee Trustee may rely and shall be fully protected in acting or refraining from acting in good faith upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, appraisal, bond, debenture, note, other evidence of indebtedness or other paper or document reasonably believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(ii) Any direction or act of the Guarantor contemplated by this Guarantee Agreement shall be sufficiently evidenced by an Officers' Certificate unless otherwise prescribed herein.

(iii) Whenever, in the administration of this Guarantee Agreement, the Guarantee Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting to take any action hereunder, the Guarantee Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officers' Certificate which, upon receipt of such request from the Guarantee Trustee, shall be promptly delivered by the Guarantor.

(iv) The Guarantee Trustee may consult with legal counsel of its selection, and the advice or opinion of such legal counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in reliance thereon and in accordance with such advice or opinion. Such legal counsel may be legal counsel to the Guarantor or any of its Affiliates and may be one of its employees. The Guarantee Trustee shall have the right at any time to seek instructions concerning the administration of this Guarantee Agreement from any court of competent jurisdiction.

(v) The Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Guarantee Agreement at the request or direction of any Holder, unless such Holder shall have offered to the Guarantee Trustee such adequate security or indemnity against the costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Guarantee Trustee; provided that nothing contained in this Section 3.2(a)(v) shall be taken to relieve the Guarantee Trustee, upon the occurrence of an Event of Default, of its obligation to exercise the rights and powers vested in it by this Guarantee Agreement.

(vi) The Guarantee Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, appraisal, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Guarantee Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(vii) The Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents or

attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it hereunder; provided, however, that the Guarantee Trustee shall be responsible for its own negligence with respect to the selection of any such agent or attorney appointed by it hereunder.

(viii) Whenever in the administration of this Guarantee Agreement the Guarantee Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Guarantee Trustee (A) may request instructions from the Holders, (B) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (C) shall be protected in acting in accordance with such instructions.

(b) No provision of this Guarantee Agreement shall be deemed to impose any duty or obligation on the Guarantee Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it, in any jurisdiction in which it shall be illegal, or in which the Guarantee Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts, or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Guarantee Trustee shall be construed to be a duty to act in accordance with such power and authority.

### SECTION 3.3. Compensation.

The Guarantor agrees to pay to the Guarantee Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and to reimburse the Guarantee Trustee upon request for all reasonable expenses, disbursements and advances incurred or made by the Guarantee Trustee in accordance with any provision of this Guarantee Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith.

### SECTION 3.4. Indemnity.

The Guarantor agrees to indemnify the Guarantee Trustee for, and to hold it harmless against, any and all loss, liability, damage, claim or expense incurred without negligence or bad faith on the part of the Guarantee Trustee, arising out of or in connection with the acceptance or administration of this Guarantee Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Guarantee Trustee will not claim or exact any lien or charge on any Guarantee Payments as a result of any amount due to it under this Guarantee Agreement.



## ARTICLE IV.

### GUARANTEE TRUSTEE

#### SECTION 4.1. Guarantee Trustee: Eligibility.

(a) There shall at all times be a Guarantee Trustee which shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000, and shall be a corporation meeting the requirements of Section 310(a) of the Trust Indenture Act. If such corporation publishes reports of condition at least annually, pursuant to law or the requirements of its supervising or examining authority, then, for the purposes of this Section and to the extent permitted by the Trust Indenture Act, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Guarantee Trustee shall cease to be eligible to so act under Section 4.1(a), the Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.2(c).

(c) If the Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Guarantee Trustee and Guarantor shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

#### SECTION 4.2. Appointment, Removal and Resignation of the Guarantee Trustee.

(a) Subject to Section 4.2(b), the Guarantee Trustee may be appointed or removed without cause at any time by the Guarantor.

(b) The Guarantee Trustee shall not be removed until a Successor Guarantee Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Guarantee Trustee and delivered to the Guarantor.

(c) The Guarantee Trustee appointed hereunder shall hold office until a Successor Guarantee Trustee shall have been appointed or until its removal or resignation. The Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Guarantee Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Guarantee Trustee has been appointed and has accepted such appointment by instrument in writing executed by such Successor Guarantee Trustee and delivered to the Guarantor and the resigning Guarantee Trustee.

(d) If no Successor Guarantee Trustee shall have been appointed and accepted appointment as provided in this Section 4.2 within 60 days after delivery to the Guarantor of an

instrument of resignation, the resigning Guarantee Trustee may petition, at the expense of the Guarantor, any court of competent jurisdiction for appointment of a Successor Guarantee Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Guarantee Trustee.

## **ARTICLE V.**

### **GUARANTEE**

#### **SECTION 5.1. Guarantee.**

The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by or on behalf of the Issuer), as and when due, regardless of any defense, right of set-off or counterclaim which the Issuer may have or assert other than the defense of payment (the "Guarantee"). The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holders or by causing the Issuer to pay such amounts to the Holders.

#### **SECTION 5.2. Waiver of Notice and Demand.**

The Guarantor hereby waives notice of acceptance of the Guarantee and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Guarantee Trustee, Issuer or any other Person before proceeding against the Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

#### **SECTION 5.3. Obligations Not Affected.**

The obligations, covenants, agreements and duties of the Guarantor under this Guarantee Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

- (a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Capital Securities to be performed or observed by the Issuer;
- (b) the extension of time for the payment by the Issuer of all or any portion of the Distributions (other than an extension of time for payment of Distributions that results from the extension of any interest payment period on the Debentures as so provided in the Indenture), Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Capital Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Capital Securities;

(c) any failure, omission, delay or lack of diligence on the part of the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Capital Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, the Capital Securities;

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or

(g) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor, it being the intent of this Section 5.3 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances.

There shall be no obligation of the Holders to give notice to, or obtain the consent of, the Guarantor with respect to the happening of any of the foregoing.

#### SECTION 5.4. Rights of Holders.

The Guarantor expressly acknowledges that: (i) this Guarantee will be deposited with the Guarantee Trustee to be held for the benefit of the Holders; (ii) the Guarantee Trustee has the right to enforce this Guarantee Agreement on behalf of the Holders; (iii) the Holders of a Majority in Liquidation Amount of the Capital Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of this Guarantee Agreement or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; and (iv) to the fullest extent permitted by law, any Holder may institute a legal proceeding directly against the Guarantor to enforce its rights under this Guarantee Agreement, without first instituting a proceeding against the Guarantee Trustee, the Issuer or any other Person. The Guarantor waives any right to require that any action be brought first against the Issuer or any other Person or entity before proceeding directly against the Guarantor.

#### SECTION 5.5. Guarantee of Payment.

This Guarantee creates a guarantee of payment and not of collection. This Guarantee will not be discharged except by payment of the Guarantee Payments in full (without duplication of amounts theretofore paid by the Issuer) or upon distribution of Debentures to Holders as provided in the Trust Agreement.

#### SECTION 5.6. Subrogation.

The Guarantor shall be subrogated to all (if any) rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Guarantor under this Guarantee Agreement and shall have the right to waive payment by the Issuer pursuant to Section 5.1; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of payment under this Guarantee Agreement, if at the time of any such payment, any amounts are due and unpaid under this Guarantee Agreement. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold such amount in trust for the Holders and to pay over such amount to the Holders.

#### SECTION 5.7. Independent Obligations.

The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Capital Securities and that the Guarantor shall be liable as principal and as debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections

(a) through (g), inclusive of Section 5.3 hereof.

#### SECTION 5.8. Merger or Consolidation of Guarantor.

The Guarantor covenants that it will not consolidate with or merge into any other Person, or transfer, convey or lease all or substantially all of its assets or properties to any other Person, and no other Person shall consolidate with or merge into the Guarantor, or transfer, convey or lease all or substantially all of its assets to the Guarantor, unless (i) either the Guarantor shall be the continuing corporation, or the successor shall be a Person organized and existing under the laws of the United States of America or a State thereof or the District of Columbia and such successor shall expressly assume the Guarantor's obligations under this Guarantee Agreement by written instrument satisfactory to the Trustee, executed and delivered to the Trustee by such successor, (ii) immediately after such merger or consolidation, or such transfer, conveyance or lease, no Event of Default hereunder, and no event which, after notice or lapse of time or both would become an Event of Default, shall have happened and be continuing, and (iii) such consolidation, merger, transfer, conveyance or lease is permitted under the Trust Agreement and Indenture and does not give rise to any breach or violation of the Trust Agreement or Indenture.

### **ARTICLE VI.**

#### **SUBORDINATION**

##### SECTION 6.1. Subordination

The obligations of the Guarantor under this Guarantee Agreement constitute unsecured obligations of the Guarantor and rank subordinate and junior in right of payment to all other liabilities of the Guarantor (including obligations under the Debentures) except (a) those liabilities which expressly

by their terms are made pari passu or subordinate to the obligations of the Guarantor under this Guarantee Agreement and (b) liabilities arising under similar guarantee agreements as described in Section 6.2 hereof.

**SECTION 6.2. Pari Passu to Similar Guarantees.**

The obligations of the Guarantor under this Guarantee Agreement shall rank pari passu with the obligations of the Guarantor under any similar guarantee agreements issued by the Guarantor on behalf of the holders of preferred securities or capital securities issued by any Aon Trust (as defined in the Indenture).

**ARTICLE VII.**

**TERMINATION**

**SECTION 7.1. Termination.**

This Guarantee Agreement shall terminate and be of no further force and effect upon the earliest of (i) full payment of the Redemption Price of all Capital Securities, (ii) the distribution of Debentures to the Holders in exchange for all of the Capital Securities or (iii) full payment of the amounts payable in accordance with the Trust Agreement upon liquidation of the Issuer. Notwithstanding the foregoing, this Guarantee Agreement will continue to be effective or will be reinstated, as the case may be, if at any time any Holder must restore payment of any sums paid with respect to Capital Securities or this Guarantee Agreement. Sections 3.3 and 3.4 shall survive the termination of the Guarantee Agreement.

**SECTION 7.2. Termination of Old Guarantee.**

The Old Guarantee Agreement is hereby terminated and shall have no further force and effect except insofar as required by Section 7.1 therein.

**ARTICLE VIII.**

**MISCELLANEOUS**

**SECTION 8.1. Successors and Assigns.**

All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders of the Capital Securities then outstanding. Except in connection with a consolidation, merger or sale involving the Guarantor that is permitted under Section 5.8 of this Guarantee Agreement, the Guarantor shall not assign its obligations hereunder.

SECTION 8.2. Amendments.

Except with respect to any changes which do not adversely affect the rights of the Holders in any material respect (in which case no consent of the Holders will be required), this Guarantee Agreement may only be amended with the prior approval of the Holders of not less than a Majority in Liquidation Amount of all the outstanding Capital Securities. The provisions of Article VI of the Trust Agreement concerning meetings of the Holders shall apply to the giving of such approval.

SECTION 8.3. Notices.

Any notice, request or other communication required or permitted to be given hereunder shall be in writing, duly signed by the party giving such notice, and personally delivered, telecopied or mailed by first class mail as follows:

(a) if given to the Guarantor, to the address set forth below or such other address, facsimile number or to the attention of such other Person as the Guarantor may give notice to the Holders:

Aon Corporation  
123 North Wacker Drive  
Chicago, Illinois 60606  
Facsimile No.: (312) 701-3100 Attention: Treasurer

(b) If given to the Issuer, in care of the Guarantee Trustee, at the Issuer's (and the Guarantee Trustee's) address set forth below or such other address as the Guarantee Trustee on behalf of the Issuer may give notice to the Holders:

Aon Capital A  
c/o Aon Corporation  
123 North Wacker Drive  
Chicago, Illinois 60606  
Facsimile No.: (312) 701-3100 Attention: Treasurer

with a copy to:

The Bank of New York  
101 Barclay Street  
Floor 21W  
New York, New York 10286 Facsimile No.: (212) 815-5915 Attention: Corporate Trust Trustee Administration

(c) if given to any Holder, at the address set forth on the books and records of the Issuer.

All notices hereunder shall be deemed to have been given when received in person, telecopied with receipt confirmed, or three days after being mailed by first class mail, postage prepaid.

SECTION 8.4. Benefit.

This Guarantee Agreement is solely for the benefit of the Holders and is not separately transferable from the Capital Securities.

SECTION 8.5. Interpretation.

In this Guarantee Agreement, unless the context otherwise requires:

- (a) capitalized terms used in this Guarantee Agreement but not defined in the preamble hereto have the respective meanings assigned to them in Section 1.1;
- (b) a term defined anywhere in this Guarantee Agreement has the same meaning throughout;
- (c) all references to "the Guarantee Agreement" or "this Guarantee Agreement" are to this Guarantee Agreement as modified, supplemented or amended from time to time;
- (d) all references in this Guarantee Agreement to Articles and Sections are to Articles and Sections of this Guarantee Agreement unless otherwise specified;
- (e) a term defined in the Trust Indenture Act has the same meaning when used in this Guarantee Agreement unless otherwise specified;
- (f) a reference to the singular includes the plural and vice versa; and
- (g) the masculine, feminine or neuter genders used herein shall include the masculine, feminine and neuter genders.

SECTION 8.6. Governing Law.

THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

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

THIS GUARANTEE AGREEMENT is executed as of the day and year first above written.

**AON CORPORATION**

By: /s/ Michael A. Conway

-----  
Name: Michael A. Conway  
Title: Senior Vice President and  
Senior Investment Officer

By: /s/ James D. White

-----  
Name: James D. White  
Title: Vice President and Controller

**THE BANK OF NEW YORK  
as Guarantee Trustee**

By:

Name:

Title:



THIS GUARANTEE AGREEMENT is executed as of the day and year first above written.

**AON CORPORATION**

By:

Name:

Title:

By:

Name:

Title:

**THE BANK OF NEW YORK  
as Guarantee Trustee**

*By: /s/ Mary La Gumina*

-----  
*Name: Mary La Gumina*

*Title: Assistant Vice President*

**April 1, 1998 Exhibit 5**

Aon Corporation  
123 N. Wacker Drive  
Chicago, Illinois 60606

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

I have acted as Senior Counsel to Aon Corporation, a Delaware corporation (the "Company"), in connection with the public offering by Robert A. Meister, a stockholder of the Company of up to 369,000 shares (the "Shares") of the Company's common stock, par value \$1.00 per share (the "Common Stock").

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933 (the "Act").

In connection with this opinion, I have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the Company's Registration Statement (the "Registration Statement") on Form S-3 to be filed with the Securities and Exchange Commission (the "Commission") on April 21, 1998 under the Act, in accordance with the procedures of the Commission permitting a delayed or continuous offering of the Shares pursuant to such Registration Statement; (ii) the Agreement dated July 1, 1997 pursuant to which the Shares were issued; (iii) the certificates evidencing the Shares; (iv) the Second Restated Certificate of Incorporation of the Company, as presently in effect; and (v) the By-laws of the Company, as presently in effect. I have also examined originals or copies, certified or otherwise identified to my satisfaction, of such records of the Company and such agreements, certificates of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as I have deemed necessary or appropriate as a basis for the opinions set forth herein.

In my examination, I have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies and the authenticity of the originals of such latter documents. In making my examination of documents executed or to be executed by parties other than the Company, I have assumed that such parties had or will have the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and execution and delivery by such parties of such documents and the validity and binding effect thereof. As to any facts material to the opinions expressed herein which I have not independently established or verified, I have relied upon statements and representations of officers and other representatives of the Company and others.

I am admitted to the bar in the State of Illinois, and I do not express any opinion as to the laws of any jurisdiction, except the General Corporation Law of the State of Delaware.

Based upon and subject to the foregoing, I am of the opinion that the Shares have been duly authorized and legally issued and are fully paid and nonassessable.

I hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. I also consent to the reference to me under the caption "Legal Matters" in the Registration Statement. In giving this consent, I do not thereby admit that I am included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission.

Very truly yours,

*/s/ Jerome S. Hanner*  
*Jerome S. Hanner*  
*Senior Counsel*

JSH/adc

**Exhibit 23**

**CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS**

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Aon Corporation for the registration of 369,000 shares of its common stock and to the incorporation by reference therein of our reports dated February 10, 1998, with respect to the consolidated financial statements and schedules of Aon Corporation included in or incorporated by reference in its Annual Report (Form 10-K) for the year ended December 31, 1997, filed with the Securities and Exchange Commission.

**ERNST & YOUNG LLP**

Chicago, Illinois

April 16, 1998

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**End of Filing**

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