

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 5
TO
FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MERRILL LYNCH & CO., INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)
DELAWARE 13-2740599
(STATE OR OTHER JURISDICTION (I.R.S. EMPLOYER IDENTIFICATION NO.)
OF INCORPORATION OR ORGANIZATION)
WORLD FINANCIAL CENTER
NORTH TOWER
NEW YORK, NEW YORK 10281-1334
(212) 449-1000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

ROSEMARY T. BERKERY, ESQ.
ASSOCIATE GENERAL COUNSEL
MERRILL LYNCH & CO., INC.
WORLD FINANCIAL CENTER
NORTH TOWER
NEW YORK, NEW YORK 10281-1334
(212) 449-6990
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

COPY TO:
NORMAN D. SLONAKER, ESQ.
BROWN & WOOD
ONE WORLD TRADE CENTER
NEW YORK, NEW YORK 10048

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.

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.

THIS POST-EFFECTIVE AMENDMENT NO. 5 TO THE REGISTRATION STATEMENT SHALL
HEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES
ACT OF 1933 OR ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION
8(a), MAY DETERMINE.

EXPLANATORY NOTE

This Post-Effective Amendment No. 5 contains only a form of prospectus supplement and prospectus to be used in connection with an underwritten offering of the Registrant's Structured Yield Product Exchangeable for Stock/SM/, % STRYPES /SM/ Due , 2001, payable at maturity with shares of common stock of IMC Global Inc. and/or, in the circumstances described herein, other Reference Property. Copies of various prospectuses that were included in the Registration Statement on Form S-3 (No. 33-65135) as originally filed by the Registrant with the Securities and Exchange Commission are not included herein.

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A POST- +
+EFFECTIVE AMENDMENT TO THE 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 POST-EFFECTIVE AMENDMENT TO THE REGISTRATION STATEMENT BECOMES +
+EFFECTIVE. THIS PROSPECTUS SUPPLEMENT AND THE 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, ISSUE DATE: JUNE 20, 1996
PROSPECTUS SUPPLEMENT

(TO PROSPECTUS DATED , 1996)
5,661,119 STRYPES SM
MERRILL LYNCH & CO., INC.
[MERRILL LYNCH LOGO] % STRYPES SM DUE , 2001 [LOGO] IMC GLOBAL
PAYABLE WITH SHARES OF COMMON STOCK OF
IMC GLOBAL INC.
(OR CASH WITH AN EQUAL VALUE)

The issue price of each Structured Yield Product Exchangeable for Stock SM, % STRYPES SM Due , 2001 (each, a "STRYPES") of Merrill Lynch & Co., Inc. (the "Company") being offered hereby is \$, which amount is equal to the last sale price of the common stock, par value \$1.00 per share (the "IMC Common Stock"), of IMC Global Inc., a Delaware corporation ("IMC"), on , 1996, as reported on the New York Stock Exchange (the "Initial Price"). The STRYPES will mature on , 2001 (the "Maturity Date"). Interest on the STRYPES, at the rate of % of the issue price per annum, is payable in cash quarterly in arrears on , and beginning , 1996. The STRYPES are not subject to redemption or any sinking fund. The STRYPES will be unsecured obligations of the Company ranking pari passu with all of its other unsecured and unsubordinated indebtedness. In addition, the STRYPES will not restrict the Company's ability to incur additional indebtedness ranking senior to, or pari passu with, the STRYPES. See "Supplemental Description of the STRYPES--Ranking."

On the Maturity Date, the Company will pay and discharge each STRYPES by delivering to the holder thereof a percentage of each type of Reference Property (subject to the Company's right to deliver, with respect to all, but not less than all, Reference Property deliverable on the Maturity Date, cash with an equal value) determined in accordance with the following formula: (a) if the Reference Property Value (as defined herein) is greater than or equal to \$ (the "Threshold Appreciation Price"), % of each type of Reference Property, (b) if the Reference Property Value is less than the Threshold Appreciation Price but is greater than \$ (the "Initial Price"), a percentage of each type of Reference Property, allocated as proportionately as practicable, so that the aggregate value thereof is equal to the Initial Price and (c) if the Reference Property Value is less than or equal to the Initial Price, 100% of each type of Reference Property. The term "Reference Property" shall mean initially one share of IMC Common Stock and shall be subject to adjustment from time to time prior to the Maturity Date to reflect the addition or substitution of any cash, securities and/or other property resulting from the application of the adjustment provisions described herein. AS DESCRIBED HEREIN, THE REFERENCE PROPERTY VALUE WILL REPRESENT A DETERMINATION OF THE VALUE OF THE REFERENCE PROPERTY IMMEDIATELY PRIOR TO THE MATURITY DATE. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE AMOUNT RECEIVABLE BY HOLDERS OF THE STRYPES ON THE MATURITY DATE WILL BE EQUAL TO OR GREATER THAN THE ISSUE PRICE OF THE STRYPES. IF THE REFERENCE PROPERTY VALUE IS LESS THAN THE INITIAL PRICE, SUCH AMOUNT RECEIVABLE ON THE MATURITY DATE WILL BE LESS THAN THE ISSUE PRICE PAID FOR THE STRYPES, IN WHICH CASE AN INVESTMENT IN THE STRYPES WILL RESULT IN A LOSS. See "Supplemental Description of the STRYPES."

Reference is made to the accompanying prospectus of IMC covering the shares of IMC Common Stock (including the preferred stock purchase rights associated therewith) which may be received by a holder of the STRYPES on the Maturity Date. IMC is not affiliated with the Company, will not receive any of the proceeds from the sale of the STRYPES and will have no obligations with respect

to the STRYPES.

SEE "RISK FACTORS" BEGINNING ON PAGE S-8 OF THIS PROSPECTUS SUPPLEMENT FOR CERTAIN CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE STRYPES.

For a discussion of certain United States Federal income tax consequences for holders of the STRYPES, see "Certain United States Federal Income Tax Considerations."

The IMC Common Stock is listed on the New York Stock Exchange ("NYSE") under the symbol "IGL." The STRYPES have been approved for listing on the NYSE, subject to official notice of issuance.

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 SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT (2)	PROCEEDS TO COMPANY (3)
Per STRYPES.....	\$	\$	\$
Total (4).....	\$	\$	\$

</TABLE>

- (1) Plus accrued interest, if any, from , 1996 to the date of delivery.
- (2) The Company, IMC and GVI Holdings, Inc. have agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
- (3) Before deducting expenses payable by the Company.
- (4) The Company has granted the Underwriter an option for 30 days to purchase up to an additional 849,167 STRYPES at the initial public offering price per STRYPES, less the underwriting discount, solely to cover over-allotments. If such over-allotment option is exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Company will be \$, \$ and \$, respectively. See "Underwriting."

The STRYPES are offered by the Underwriter, subject to prior sale, when, as and if issued to and accepted by the Underwriter, and subject to certain other conditions. The Underwriter reserves the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the STRYPES will be made in New York, New York, on or about , 1996.

This Prospectus may be used by the Underwriter in connection with offers and sales related to market-making transactions in the STRYPES. The Underwriter may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale.

(SM) Service mark of Merrill Lynch & Co., Inc.

MERRILL LYNCH & CO.

The date of this Prospectus Supplement is , 1996.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE STRYPES AND THE IMC COMMON STOCK AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF INSURANCE FOR THE STATE OF NORTH CAROLINA, NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS.

SUMMARY

The following summary is qualified in its entirety by the information included and incorporated by reference in the accompanying Prospectus (the "ML&Co. Prospectus") and by the more detailed information included elsewhere in this Prospectus Supplement. Unless otherwise indicated, the information contained in this Prospectus Supplement assumes that the Underwriter's over-

allotment option is not exercised. Unless the context otherwise requires, the following summary assumes that on the Maturity Date the Reference Property consists only of shares of IMC Common Stock (including the preferred stock purchase rights associated therewith).

MERRILL LYNCH & CO., INC.

Merrill Lynch & Co., Inc. is a holding company that, through its subsidiaries and affiliates, provides investment, financing, insurance, and related services on a global basis. Its principal subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), is one of the largest securities firms in the world.

IMC GLOBAL INC.

IMC is one of the world's leading producers of crop nutrients for the international agricultural community and is one of the largest distributors in the United States of crop nutrients and related products through its retail and wholesale distribution networks. IMC mines, processes and distributes potash in the United States and Canada, and is a joint venture partner in IMC-Agrico Company, a leading producer, marketer and distributor of phosphate crop nutrients and a leading producer and marketer of animal feed ingredients. IMC's retail distribution network, which extends principally to corn and soybean farmers in the Midwestern and Southeastern United States, is one of the largest distributors of crop nutrients and related products in the United States. IMC also manufactures nitrogen-based and other high-value crop nutrients which are marketed on a wholesale basis principally in the Midwestern and Southeastern United States. In addition, IMC sells specialty lawn and garden, turf, and nursery products on a national basis and ice-melter products in the Midwest and Eastern snow-belt states.

Reference is made to the accompanying prospectus of IMC (the "IMC Prospectus") covering the shares of IMC Common Stock (including the preferred stock purchase rights associated therewith) which may be received by a holder of STRYPES on the Maturity Date. IMC is not affiliated with the Company, will not receive any of the proceeds from the sale of the STRYPES and will have no obligations with respect to the STRYPES. THE IMC PROSPECTUS IS BEING ATTACHED HERETO AND DELIVERED TO PROSPECTIVE PURCHASERS OF STRYPES TOGETHER WITH THIS PROSPECTUS SUPPLEMENT AND THE ML&CO. PROSPECTUS FOR CONVENIENCE OF REFERENCE ONLY. THE IMC PROSPECTUS DOES NOT CONSTITUTE A PART OF THIS PROSPECTUS SUPPLEMENT OR THE ML&CO. PROSPECTUS, NOR IS IT INCORPORATED BY REFERENCE HEREIN OR THEREIN.

THE STRYPES

OFFERING..... 5,661,119 STRYPES

ISSUE PRICE..... \$ per STRYPES

MATURITY DATE..... , 2001

INTEREST RATE..... % of the issue price per annum, or \$ per STRYPES per quarter, payable in cash quarterly in arrears

INTEREST PAYMENT DATES..... , , and , beginning , 1996

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PAYMENT AT MATURITY.....

On the Maturity Date, the Company will pay and discharge each STRYPES by delivering to the holder thereof a percentage of each type of Reference Property (subject to the Company's right to deliver, with respect to all, but not less than all, Reference Property deliverable on the Maturity Date, cash with an equal value) determined in accordance with the following formula: (a) if the Reference Property Value (as defined herein) is greater than or equal to \$ (the "Threshold Appreciation Price"), % of each type of Reference Property, (b) if the Reference Property Value is less than the Threshold Appreciation Price but is greater than \$ (the "Initial Price"), a percentage of each type of Reference Property, allocated as proportionately as practicable, so that the aggregate value thereof is equal to the Initial Price and (c) if the Reference Property Value is less than or equal to the Initial Price, 100% of each type of Reference Property. The term "Reference Property" shall mean initially one share of IMC Common Stock and shall be subject to adjustment from time to time prior to the Maturity Date to reflect the

addition or substitution of any cash, securities and/or other property resulting from the application of the adjustment provisions described herein. AS DESCRIBED HEREIN, THE REFERENCE PROPERTY VALUE WILL REPRESENT A DETERMINATION OF THE VALUE OF THE REFERENCE PROPERTY IMMEDIATELY PRIOR TO THE MATURITY DATE. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE AMOUNT RECEIVABLE BY HOLDERS OF THE STRYPES ON THE MATURITY DATE WILL BE EQUAL TO OR GREATER THAN THE ISSUE PRICE OF THE STRYPES. IF THE REFERENCE PROPERTY VALUE IS LESS THAN THE INITIAL PRICE, SUCH AMOUNT RECEIVABLE ON THE MATURITY DATE WILL BE LESS THAN THE ISSUE PRICE PAID FOR THE STRYPES, IN WHICH CASE AN INVESTMENT IN THE STRYPES WILL RESULT IN A LOSS. See "Supplemental Description of the STRYPES--General."

NO REDEMPTION, SINKING FUND
OR PAYMENT PRIOR TO
MATURITY.....

The STRYPES are not subject to redemption by the Company prior to the Maturity Date and do not contain any sinking fund or other mandatory redemption provisions. The STRYPES are not subject to payment prior to the Maturity Date at the option of the holder.

RANKING.....

The STRYPES will be unsecured obligations of the Company ranking pari passu with all of its other unsecured and unsubordinated indebtedness. See "Supplemental Description of the STRYPES--Ranking" herein and "Description of the STRYPES--Ranking" in the ML&Co. Prospectus.

RELATIONSHIP TO IMC COMMON
STOCK.....

The STRYPES will bear interest at % of the issue price per annum, a yield substantially in excess of the % dividend yield of IMC Common Stock based on the last sale price of the IMC Common Stock on , 1996, as reported on the NYSE, and the recent \$.08 per share quarterly dividend paid on the IMC Common Stock. However, the opportunity for equity appreciation

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afforded by an investment in the STRYPES is less than the opportunity for equity appreciation afforded by a direct investment in the IMC Common Stock because the amount receivable by a holder of a STRYPES on the Maturity Date will only exceed the issue price of such STRYPES if the Reference Property Value exceeds the Threshold Appreciation Price (which represents an appreciation of % over the Initial Price). Moreover, holders of the STRYPES will only be entitled to receive on the Maturity Date % (the percentage equal to the Initial Price divided by the Threshold Appreciation Price) of any appreciation of the value of Reference Property in excess of the Threshold Appreciation Price. Holders of the STRYPES will not be entitled to any rights with respect to the Reference Property (including, without limitation, voting rights and rights to receive any dividends, interest or other distributions in respect thereof) unless and until such time, if any, as the Company shall have delivered the Reference Property for STRYPES on the Maturity Date, and unless the applicable record date, if any, for the exercise of such rights occurs after such delivery. See "Risk Factors--Limitations on Opportunity for Equity Appreciation" and "--No Stockholder's Rights."

TRADING PRICES.....

The trading prices of the STRYPES in the secondary market will be directly affected by the trading prices of the IMC Common Stock in the secondary market. It is impossible to predict whether the price of IMC Common Stock will rise or fall. In addition, any market that develops for the STRYPES is likely to influence the market for IMC Common Stock. For example, the price of IMC Common Stock

could be depressed by investors' anticipation of the potential distribution into the market of substantial amounts of IMC Common Stock on the Maturity Date, by possible sales of IMC Common Stock by investors who view the STRYPES as a more attractive means of equity participation in IMC, and by hedging or arbitrage trading activity that may develop involving the STRYPES and the IMC Common Stock. See "Risk Factors--Factors Affecting Trading Prices" and "--Impact of the STRYPES on the Market for IMC Common Stock."

DILUTION.....

The Reference Property (or the amount of cash) that holders of the STRYPES are entitled to receive upon payment and discharge on the Maturity Date will not be adjusted for certain events, such as offerings of IMC Common Stock for cash or in connection with acquisitions. IMC is not restricted from issuing additional IMC Common Stock during the term of the STRYPES and has no obligation to consider the interests of holders of STRYPES for any reason. Additional issuances of shares of IMC Common Stock may materially and adversely affect the price of IMC Common Stock and, because of the relationship of the percentage of the Reference Property (or cash amount) to be received upon payment and

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discharge to the price of the IMC Common Stock, such other events may adversely affect the trading price of the STRYPES. See "Risk Factors--Dilution of IMC Common Stock."

PURCHASE AGREEMENT WITH
GVI HOLDINGS, INC.....

Pursuant to an agreement (the "Purchase Agreement") among the Company, Merrill Lynch Mortgage Capital Inc., a wholly owned subsidiary of the Company (the "ML&Co. Subsidiary"), and GVI Holdings, Inc. ("GVI"), a wholly-owned subsidiary of Great American Management and Investment, Inc., GVI is obligated to deliver to the ML&Co. Subsidiary immediately prior to the Maturity Date the Reference Property required by the Company to pay and discharge all of the STRYPES (including any STRYPES issued pursuant to the over-allotment option granted by the Company to the Underwriter). In lieu of delivering the Reference Property immediately prior to the Maturity Date, GVI has the right to satisfy its obligation under the Purchase Agreement by delivering at such time cash in an amount equal to the value of such Reference Property immediately prior to the Maturity Date. Such right, if exercised by GVI, must be exercised with respect to all of the Reference Property deliverable pursuant to the Purchase Agreement. Under the Purchase Agreement, the Company has agreed to pay and discharge the STRYPES by delivering to the holders thereof on the Maturity Date the form of consideration that the ML&Co. Subsidiary receives from GVI. The consideration to be paid by the ML&Co. Subsidiary under the Purchase Agreement is \$ in the aggregate, and is payable to GVI on or about , 1996. No other consideration is payable by the ML&Co. Subsidiary to GVI in connection with its acquisition of the Reference Property pursuant to the Purchase Agreement or the performance of the Purchase Agreement by GVI.

GVI has no obligations with respect to the STRYPES or amounts to be paid to holders thereof, including any obligation to take the needs of the Company or of holders of the STRYPES into consideration in determining whether to deliver the Reference Property or cash or for any other reason. The Purchase Agreement among the Company, the ML&Co. Subsidiary and GVI is a commercial transaction and does not create any rights in, or for the benefit of, any holder of STRYPES. See "Certain Arrangements with GVI."

CERTAIN UNITED STATES
FEDERAL INCOME TAX

CONSIDERATIONS..... Prospective investors in the STRYPES should be aware that there exists uncertainty concerning the proper United States Federal income tax characterization and treatment of the STRYPES. Accordingly, prospective investors should consider the tax consequences of investing in the STRYPES. See "Risk Factors--Tax Matters" and "Certain United States Federal Income Tax Considerations."

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GLOBAL NOTES..... Upon issuance, all STRYPES will be represented by one or more global securities deposited with, and registered in the name of, The Depository Trust Company, as Securities Depository (the "Securities Depository"), or a nominee thereof. As a result, the Securities Depository, or its nominee, will be considered the sole owner of the STRYPES under the Indenture (as defined herein). Ownership interests of actual purchasers of STRYPES will be recorded on the records of participants in the Securities Depository. See "Description of the STRYPES--Securities Depository" in the ML&Co. Prospectus.

USE OF PROCEEDS..... The net proceeds to the Company from the sale of the STRYPES are expected to be \$, \$ of which will be used to purchase an obligation of the ML&Co. Subsidiary and the remainder of which will be used for general corporate purposes. The ML&Co. Subsidiary will use a portion of the consideration that it receives from the Company to pay to GVI the consideration due under the Purchase Agreement.

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RISK FACTORS

Prospective purchasers should read carefully this entire Prospectus Supplement and the ML&Co. Prospectus and should consider, among other things, the factors set forth below and under "Risk Factors" in the IMC Prospectus. Unless the context otherwise requires, the following discussion assumes that on the Maturity Date the Reference Property consists only of shares of IMC Common Stock (including the preferred stock purchase rights associated therewith).

COMPARISON TO OTHER DEBT SECURITIES; RELATIONSHIP TO IMC COMMON STOCK

The terms of the STRYPES differ from those of ordinary debt securities in that the value of the Reference Property (or, pursuant to the option of the Company, the amount of cash) that a holder of a STRYPES will receive on the Maturity Date is not fixed, but is based on the Reference Property Value (see "Supplemental Description of the STRYPES"). THERE CAN BE NO ASSURANCE THAT SUCH AMOUNT RECEIVABLE BY THE HOLDER ON THE MATURITY DATE WILL BE EQUAL TO OR GREATER THAN THE ISSUE PRICE OF THE STRYPES. IF THE REFERENCE PROPERTY VALUE IS LESS THAN THE INITIAL PRICE, SUCH AMOUNT RECEIVABLE ON THE MATURITY DATE WILL BE LESS THAN THE ISSUE PRICE PAID FOR THE STRYPES, IN WHICH CASE AN INVESTMENT IN STRYPES WILL RESULT IN A LOSS. ACCORDINGLY, A HOLDER OF STRYPES ASSUMES THE RISK THAT THE MARKET VALUE OF THE REFERENCE PROPERTY MAY DECLINE, AND THAT SUCH DECLINE COULD BE SUBSTANTIAL. THE IMC PROSPECTUS COVERS THE SHARES OF IMC COMMON STOCK (INCLUDING THE PREFERRED STOCK PURCHASE RIGHTS ASSOCIATED THEREWITH) WHICH MAY BE RECEIVED BY A HOLDER OF THE STRYPES ON THE MATURITY DATE.

LIMITATION ON OPPORTUNITY FOR EQUITY APPRECIATION

The opportunity for equity appreciation afforded by an investment in the STRYPES is less than the opportunity for equity appreciation afforded by a direct investment in the IMC Common Stock because the amount receivable by a holder of a STRYPES on the Maturity Date will only exceed the issue price of such STRYPES if the Reference Property Value exceeds the Threshold Appreciation Price (which represents an appreciation of % over the Initial Price). Moreover, holders of the STRYPES will only be entitled to receive on the Maturity Date % (the percentage equal to the Initial Price divided by the Threshold Appreciation Price) of any appreciation of the value of the Reference Property in excess of the Threshold Appreciation Price. See "Supplemental Description of the STRYPES." Because the price of the Reference Property is subject to market fluctuations, the value of the Reference Property (or, pursuant to the option of the Company, the amount of cash) received by a holder of a STRYPES on the Maturity Date, determined as described herein, may be more

or less than the issue price of the STRYPES.

FACTORS AFFECTING TRADING PRICES

The trading prices of the STRYPES in the secondary market will be directly affected by the trading prices of the IMC Common Stock in the secondary market. It is impossible to predict whether the price of IMC Common Stock will rise or fall. Trading prices of IMC Common Stock will be influenced by IMC's operating results and prospects, by complex and interrelated political, economic, financial and other factors and market conditions that can affect the capital markets generally, the market segment of which IMC is a part, the NYSE (on which the IMC Common Stock is traded), including the level of, and fluctuations in, the trading prices of stocks generally and sales of substantial amounts of IMC Common Stock in the market subsequent to the offering of the STRYPES or the perception that such sales could occur, and by other events that are difficult to predict and are beyond the Company's control.

IMPACT OF STRYPES ON THE MARKET FOR IMC COMMON STOCK

It is not possible to predict accurately how or whether the STRYPES will trade in the secondary market or whether such market will be liquid. Any market that develops for the STRYPES is likely to influence and be influenced by the market for IMC Common Stock. For example, the price of IMC Common Stock could become more volatile and could be depressed by investors' anticipation of the potential distribution into the market of substantial amounts of IMC Common Stock on the Maturity Date, by possible sales of IMC Common Stock by investors who view the STRYPES as a more attractive means of equity participation in IMC, and by hedging or arbitrage trading activity that may develop involving the STRYPES and the IMC

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Common Stock. In addition, if the Underwriter's over-allotment option is not exercised in full, GVI will continue to own shares of the IMC Common Stock that are not subject to the Purchase Agreement. GVI is not precluded from selling any such shares of IMC Common Stock, either pursuant to Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), or by exercising its registration rights. Any such sales could have an adverse effect on the market price of IMC Common Stock and/or the STRYPES and could affect the percentage of the Reference Property (or cash amount) that a holder of a STRYPES will receive on the Maturity Date.

POSSIBLE ILLIQUIDITY OF THE SECONDARY MARKET

It is not possible to predict how the STRYPES will trade in the secondary market or whether such market will be liquid or illiquid. The STRYPES are novel securities and there is currently no secondary market for the STRYPES. The STRYPES have been approved for listing on the NYSE, subject to official notice of issuance. However there can be no assurance that an active trading market for the STRYPES will develop, that such listing will provide the holders of the STRYPES with liquidity of investment, or that the STRYPES will not later be delisted or that trading of the STRYPES on the NYSE will not be suspended. In the event of a delisting or suspension of trading on the NYSE, the Company will apply for listing of the STRYPES on another national securities exchange or for quotation on another trading market. If the STRYPES are not listed or traded on any securities exchange or trading market, or if trading of the STRYPES is suspended, pricing information for the STRYPES may be more difficult to obtain and the liquidity of the STRYPES may be adversely affected.

NO STOCKHOLDER'S RIGHTS

Holders of the STRYPES will not be entitled to any rights with respect to the Reference Property (including, without limitation, voting rights and rights to receive any dividends, interest or other distributions in respect thereof) unless and until such time, if any, as the Company shall have delivered the Reference Property for STRYPES on the Maturity Date, and unless the applicable record date, if any, for the exercise of such rights occurs after such delivery. For example, in the event that an amendment is proposed to the Restated Certificate of Incorporation of IMC and the record date for determining the stockholders of record entitled to vote on such amendment occurs prior to such delivery, holders of the STRYPES will not be entitled to vote on such amendment.

NO AFFILIATION BETWEEN THE COMPANY AND IMC

The Company has no affiliation with IMC, and IMC has no obligations with respect to the STRYPES or amounts to be paid to holders thereof, including any obligation to take the needs of the Company or of holders of the STRYPES into consideration for any reason. IMC will not receive any of the proceeds of the offering of the STRYPES made hereby and is not responsible for, and has not participated in, the determination of the timing of, prices for or quantities of the STRYPES to be issued, or the determination or calculation of the amount receivable by holders of the STRYPES on the Maturity Date. IMC is not involved with the administration or trading of the STRYPES and has no obligations with

respect to the amount receivable by holders of the STRYPES on the Maturity Date.

DILUTION OF IMC COMMON STOCK

The Reference Property (or, pursuant to the option of the Company, the amount of cash) that holders of the STRYPES are entitled to receive on the Maturity Date is subject to adjustment for certain events arising from, among others, a merger or consolidation in which IMC is not the surviving or resulting corporation and the liquidation, dissolution, winding up or bankruptcy of IMC, as well as stock splits and combinations, stock dividends and certain other actions of IMC that modify its capital structure. See "Supplemental Description of the STRYPES--Reference Property Adjustments." Such Reference Property (or cash amount) to be received by such holders on the Maturity Date will not be adjusted for other events,

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such as offerings of IMC Common Stock for cash or in connection with acquisitions. IMC is not restricted from issuing additional shares of IMC Common Stock during the term of the STRYPES and has no obligation to consider the interests of the holders of the STRYPES for any reason. Additional issuances may materially and adversely affect the price of the IMC Common Stock and, because of the relationship of the percentage of the Reference Property (or cash amount) to be received on the Maturity Date to the price of the IMC Common Stock, such other events may adversely affect the trading price of the STRYPES.

TAX MATTERS

Because of an absence of authority as to the proper characterization of the STRYPES, their ultimate tax treatment is uncertain. Accordingly, no assurances can be given that any particular characterization and treatment of the STRYPES will be accepted by the Internal Revenue Service ("IRS") or upheld by a court. However, it is the opinion of Brown & Wood, counsel to the Company, that the characterization and tax treatment of the STRYPES described herein (and described in greater detail under "Certain United States Federal Income Tax Considerations"), while not the only reasonable characterization and tax treatment, is based on reasonable interpretations of law currently in effect and, even if successfully challenged by the IRS, will not result in the imposition of penalties. The Indenture will require that any holder subject to U.S. Federal income tax include currently in income, for U.S. Federal income tax purposes, payments denominated as interest that are made with respect to a STRYPES in accordance with such holder's regular method of tax accounting. The Indenture also requires the Company and holders to treat each STRYPES for tax purposes as a unit (a "Unit") consisting of (i) a debt instrument (the "Debt Instrument") with a fixed principal amount unconditionally payable on the Maturity Date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES and (ii) a forward purchase contract (the "Forward Contract") pursuant to which the holder agrees to use the principal payment due on the Debt Instrument to purchase on the Maturity Date the Reference Property which the Company is obligated under the STRYPES to deliver at that time (subject to the Company's right to deliver cash in lieu of the Reference Property). The Indenture also requires that upon the acquisition of a STRYPES and upon a holder's sale or other disposition of a STRYPES prior to the Maturity Date, the amount paid or realized by the holder be allocated by the holder between the Debt Instrument and the Forward Contract based upon their relative fair market values (as determined on the date of acquisition or disposition). For these purposes, with respect to acquisitions of STRYPES in connection with the original issuance thereof, the Company and each holder agrees, pursuant to the terms of the Indenture, to allocate \$ _____ of the entire initial purchase price of a STRYPES (i.e., the issue price of a STRYPES) to the Debt Instrument and to allocate the remaining \$ _____ of the entire initial purchase price of a STRYPES to the Forward Contract. As previously mentioned, the appropriate character and timing of income, gain or loss to be recognized on a STRYPES is uncertain and investors should consult their own tax advisers concerning the application of the United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the STRYPES arising under the laws of any other taxing jurisdiction. The tax consequences of investing in the STRYPES are described in greater detail under "Certain United States Federal Income Tax Considerations."

HOLDING COMPANY STRUCTURE

Since the Company is a holding company, the right of the Company, and hence the right of creditors of the Company (including the holders of the STRYPES), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Company itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to the Company are restricted by net capital requirements under the Exchange Act and under rules of certain exchanges and other regulatory bodies.

IMC GLOBAL INC.

IMC is one of the world's leading producers of crop nutrients for the international agricultural community and is one of the largest distributors in the United States of crop nutrients and related products through its retail and wholesale distribution networks. IMC mines, processes and distributes potash in the United States and Canada, and is a joint venture partner in IMC-Agrico Company, a leading producer, marketer and distributor of phosphate crop nutrients and a leading producer and marketer of animal feed ingredients. IMC's retail distribution network, which extends principally to corn and soybean farmers in the Midwestern and Southeastern United States, is one of the largest distributors of crop nutrients and related products in the United States. IMC also manufactures nitrogen-based and other high-value crop nutrients which are marketed on a wholesale basis principally in the Midwestern and Southeastern United States. In addition, IMC sells specialty lawn and garden, turf, and nursery products on a national basis and ice-melter products in the Midwest and Eastern snow-belt states.

IMC is subject to the informational requirements of the Exchange Act. Accordingly, IMC files reports, proxy and information statements and other information with the Commission. Copies of such material can be inspected and copied at the public reference facilities maintained by the Commission at the addresses specified under "Available Information" in the IMC Prospectus. Reports, proxy and information statements and other information concerning IMC may also be inspected at the offices of the NYSE.

THE COMPANY IS NOT AFFILIATED WITH IMC, AND IMC HAS NO OBLIGATIONS WITH RESPECT TO THE STRYPES. THIS PROSPECTUS SUPPLEMENT AND THE ML&CO. PROSPECTUS RELATE ONLY TO THE STRYPES OFFERED HEREBY AND DO NOT RELATE TO THE IMC COMMON STOCK. IMC HAS FILED A REGISTRATION STATEMENT ON FORM S-3 WITH THE COMMISSION COVERING THE SHARES OF IMC COMMON STOCK (INCLUDING THE PREFERRED STOCK PURCHASE RIGHTS ASSOCIATED THEREWITH) THAT MAY BE RECEIVED BY A HOLDER OF STRYPES ON THE MATURITY DATE. THE PROSPECTUS OF IMC CONSTITUTING A PART OF SUCH REGISTRATION STATEMENT INCLUDES INFORMATION RELATING TO IMC AND THE IMC COMMON STOCK (INCLUDING THE PREFERRED STOCK PURCHASE RIGHTS ASSOCIATED THEREWITH), AS WELL AS A DISCUSSION OF CERTAIN FACTORS RELEVANT TO AN INVESTMENT IN IMC COMMON STOCK. THE IMC PROSPECTUS IS BEING ATTACHED HERETO AND DELIVERED TO PROSPECTIVE PURCHASERS OF STRYPES TOGETHER WITH THIS PROSPECTUS SUPPLEMENT AND THE ML&CO. PROSPECTUS FOR CONVENIENCE OF REFERENCE ONLY. THE IMC PROSPECTUS DOES NOT CONSTITUTE A PART OF THIS PROSPECTUS SUPPLEMENT OR THE ML&CO. PROSPECTUS, NOR IS IT INCORPORATED BY REFERENCE HEREIN OR THEREIN.

PRICE RANGE OF IMC COMMON STOCK AND DIVIDENDS

The IMC Common Stock is listed and traded on the NYSE under the symbol "IGL." The following table sets forth the high and low sale prices of the IMC Common Stock for the periods indicated, as reported on the NYSE Composite Tape, and the cash dividends per share of IMC Common Stock declared and paid during such periods. Data reflected in the table for periods prior to IMC's 2-for-1 stock split in November 1995 have been adjusted to reflect such stock split.

<TABLE>
<CAPTION>

PERIOD	HIGH	LOW	DIVIDENDS PER SHARE
-----	----	---	-----
<S>	<C>	<C>	<C>
FISCAL YEAR 1995			
Quarter ended September 30.....	\$22.313	\$17.063	\$ --
Quarter ended December 31.....	22.375	18.125	0.05
Quarter ended March 31.....	26.250	20.625	0.05
Quarter ended June 30.....	27.313	22.250	0.05
FISCAL YEAR 1996			
Quarter ended September 30.....	33.313	27.000	0.05
Quarter ended December 31.....	40.875	30.313	0.08
Quarter ended March 31.....	43.250	33.625	0.08
Quarter ended June 30 (through June 17, 1996).....	39.875	32.250	0.08(1)

</TABLE>

(1) IMC declared a quarterly dividend of \$0.08 per share on April 18, 1996, payable on June 28, 1996 to stockholders of record at the close of business on June 14, 1996.

As of June 17, 1996, there were approximately 475 record holders of the IMC Common Stock. On June 17, 1996, the last reported sale price of the IMC Common Stock on the NYSE was \$39.25 per share.

In April 1993, IMC's Board of Directors reduced cash dividend payments on the IMC Common Stock in light of financial demands of litigation arising out of an

explosion at a nitroparaffins plant operated by IMC in Sterlington, Louisiana, and weakness in concentrated phosphate prices. Although IMC has paid cash dividends in recent quarters, any future payment of cash dividends is subject to the discretion of IMC's Board of Directors and will be dependent on IMC's results of operations, financial condition, cash requirements and other relevant factors. Since substantially all of IMC's operations are conducted through subsidiaries, IMC cash flow, and consequently its future ability to pay dividends, will be dependent upon the earnings of its subsidiaries and the payment of funds by those subsidiaries to IMC in the form of loans, dividends or otherwise. Certain of IMC's debt agreements contain restrictions on the payment of dividends by IMC's subsidiaries.

The Company makes no representation as to the amount of dividends, if any, that IMC will pay in the future. In any event, holders of STRYPES will not be entitled to receive any dividends or interest that may be payable on IMC Common Stock or other Reference Property until such time as the Company, if it so elects, delivers the Reference Property on the Maturity Date of the STRYPES, and then only with respect to dividends having a record date on or after the date of delivery thereof. See "Supplemental Description of the STRYPES."

SUPPLEMENTAL USE OF PROCEEDS

The net proceeds to the Company from the sale of the STRYPES are expected to be \$, \$ of which will be used to purchase an obligation of the ML&Co. Subsidiary and the remainder of which will be used for general corporate purposes. The ML&Co. Subsidiary will use a portion of the consideration that it receives from the Company to pay to GVI the consideration due under the Purchase Agreement.

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SUPPLEMENTAL DESCRIPTION OF THE STRYPES

The STRYPES are a series of Senior Debt Securities to be issued under an indenture, dated as of April 1, 1983 and restated as of April 1, 1987, as amended and supplemented as of , 1996 (the indenture dated as of April 1, 1983 and restated as of April 1, 1987, as amended and supplemented from time to time, the "Indenture") between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee"). Certain provisions of the Indenture are summarized in the ML&Co. Prospectus. All capitalized terms not otherwise defined herein have the meanings specified in the Indenture.

GENERAL

The aggregate number of STRYPES to be issued under the Indenture will be limited to 5,661,119, plus such additional number of STRYPES as may be issued pursuant to the over-allotment option granted by the Company to the Underwriter. See "Underwriting." No fractional STRYPES will be issued.

Each STRYPES, which will be issued at a price of \$, will bear interest at the rate of % of the issue price per annum (or \$ per annum) from , 1996, or from the most recent Interest Payment Date to which interest has been paid or provided for, until the Maturity Date or such earlier date on which such STRYPES is repaid pursuant to the terms thereof. Interest on the STRYPES will be payable in cash quarterly in arrears on , , and , beginning , 1996, and on the Maturity Date (each, an "Interest Payment Date"), to the persons in whose names the STRYPES are registered at the close of business on the fifteenth calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date. Interest on the STRYPES will be computed on the basis of a 360-day year of twelve 30-day months. If an Interest Payment Date falls on a day that is not a Business Day, the interest payment to be made on such Interest Payment Date will be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date, and no additional interest will accrue as a result of such delayed payment.

The STRYPES will mature on , 2001. On the Maturity Date, the Company will pay and discharge each STRYPES by delivering to the holder thereof a percentage of each type of Reference Property (subject to the Company's right to deliver, with respect to all, but not less than all, Reference Property deliverable on the Maturity Date, cash with an equal value) determined in accordance with the following formula: (a) if the Reference Property Value (as defined below) is greater than or equal to the Threshold Appreciation Price, % of each type of Reference Property, (b) if the Reference Property Value is less than the Threshold Appreciation Price but is greater than the Initial Price, a percentage of each type of Reference Property, allocated as proportionately as practicable, so that the aggregate value thereof is equal to the Initial Price and (c) if the Reference Property Value is less than or equal to the Initial Price, 100% of each type of Reference Property. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE AMOUNT RECEIVABLE BY HOLDERS OF THE STRYPES ON THE MATURITY DATE WILL BE EQUAL TO OR GREATER THAN THE ISSUE PRICE OF THE STRYPES. IF THE REFERENCE PROPERTY VALUE IS LESS THAN THE INITIAL PRICE, SUCH AMOUNT RECEIVABLE ON THE MATURITY DATE WILL BE LESS THAN THE ISSUE PRICE PAID FOR THE STRYPES, IN WHICH CASE AN INVESTMENT IN STRYPES WILL RESULT IN A LOSS.

Notwithstanding the foregoing, the Company may, in lieu of delivering the applicable percentage of each type of Reference Property, deliver cash in an amount equal to the sum of (a) for any portion of the Reference Property consisting of cash that is otherwise deliverable on the Maturity Date, the amount of such cash, without interest thereon, (b) for any portion of the Reference Property consisting of property other than cash or Reference Securities that is otherwise deliverable on the Maturity Date, the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such property, and (c) for any portion of the Reference Property consisting of a Reference Security (as defined below) that is otherwise deliverable

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on the Maturity Date (except as described under "Reference Property Adjustments" below), an amount equal to the average Closing Price (as defined below) per unit of such Reference Security on the 20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date multiplied by the number of units of such Reference Security constituting part of the Reference Property, subject to the Company's agreement contained in the Purchase Agreement to deliver on the Maturity Date the form of consideration that the ML&Co. Subsidiary receives from GVI. Such right, if exercised by the Company, must be exercised with respect to all Reference Property otherwise deliverable on the Maturity Date in payment of all outstanding STRYPES. On or prior to the sixth Business Day prior to the Maturity Date, the Company will notify The Depository Trust Company and the Trustee and publish a notice in The Wall Street Journal or another daily newspaper of national circulation stating whether the STRYPES will be paid and discharged by delivery of the applicable percentage of each type of Reference Property or cash. At the time such notice is published, the Reference Property Value will not have been determined. If the Company elects to deliver Reference Property, holders of the STRYPES will be responsible for the payment of any and all brokerage costs upon the subsequent sale thereof.

The term "Reference Property" initially means one share of IMC Common Stock and shall be subject to adjustment from time to time prior to the Maturity Date to reflect the addition or substitution of any cash, securities and/or other property resulting from the application of the adjustment provisions described herein. See "--Reference Property Adjustments" below. The term "Reference Security" means, at any time, any security (as defined in Section 2(1) of the Securities Act) then constituting part of the Reference Property. The term "Reference Property Value" means, subject to the adjustment provisions described below, the sum of (a) for any portion of the Reference Property consisting of cash, the amount of such cash, (b) for any portion of the Reference Property consisting of property other than cash or Reference Securities, the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such property, and (c) for any portion of the Reference Property consisting of a Reference Security, an amount equal to the average Closing Price per unit of such Reference Security on the 20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date multiplied by the number of units of such Reference Security constituting part of the Reference Property. The "Closing Price" of any Reference Security on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of such Reference Security on the NYSE on such date or, if such Reference Security is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which such Reference Security is so listed, or if such Reference Security is not so listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System, or, if such Reference Security is not so reported, the last quoted bid price for such Reference Security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of such Reference Security on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. A "Trading Day" is defined as a day on which the Reference Security the Closing Price of which is being determined (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such Reference Security.

For illustrative purposes only, the following table shows the number of shares of IMC Common Stock or the amount of cash that a holder of STRYPES would receive for each STRYPES at various Reference Property Values. The table assumes that there will be no Reference Property adjustments as described below and, accordingly, that on the Maturity Date the Reference Property will consist of one share of IMC Common Stock. There can be no assurance that the Reference Property Value will be within the range set forth below. Given the Initial

Price of \$ _____ and the Threshold Appreciation Price of \$ _____, a STRYPES holder would receive on the Maturity Date the following number of shares of IMC Common Stock or amount of cash (if the Company elects to pay and discharge the STRYPES with cash) per STRYPES:

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<TABLE>
<CAPTION>

REFERENCE PROPERTY VALUE -----	NUMBER OF SHARES OF IMC COMMON STOCK -----	AMOUNT OF CASH -----
<S>	<C>	<C>
\$		\$

</TABLE>

REFERENCE PROPERTY ADJUSTMENTS

The Reference Property is subject to adjustment if an issuer of a Reference Security shall: (i) subdivide or split the outstanding units of such Reference Security into a greater number of units; (ii) combine the outstanding units of such Reference Security into a smaller number of units; (iii) issue by reclassification of units of such Reference Security any units of another security of such issuer; (iv) issue rights or warrants to all holders of such Reference Security entitling them, for a period expiring prior to the fifteenth calendar day following the Maturity Date, to subscribe for or purchase any of its securities or other property (other than rights to purchase units of such Reference Security pursuant to a plan for the reinvestment of dividends or interest); or (v) pay a dividend or make a distribution to all holders of such Reference Security of cash, securities or other property (excluding any cash dividend on any Reference Security consisting of capital stock that does not constitute an Extraordinary Cash Dividend (as defined below), excluding any payment of interest on any Reference Security consisting of an evidence of indebtedness and excluding any dividend or distribution referred to in clause (i), (ii), (iii) or (iv) above) or issue to all holders of such Reference Security rights or warrants to subscribe for or purchase any of its securities or other property (other than those referred to in clause (iv) above) (any of the foregoing cash, securities or other property or rights or warrants are referred to as the "Distributed Assets").

In the case of the events referred to in clauses (i), (ii) and (iii) above, the Reference Property shall be adjusted to include the number of units of such Reference Security and/or other security of such issuer which a holder of units of such Reference Security would have owned or been entitled to receive immediately following any such event had such holder held, immediately prior to such event, the number of units of such Reference Security constituting part of the Reference Property immediately prior to such event. Each such adjustment shall become effective immediately after the effective date for such subdivision, split, combination or reclassification, as the case may be. Each such adjustment shall be made successively.

In the case of the event referred to in clause (iv) above, the Reference Property shall be adjusted to include an amount in cash equal to the fair market value (determined as described below), as of the fifth Business Day (except as provided below) following the date on which such rights or warrants are received by securityholders entitled thereto (the "Receipt Date"), of each such right or warrant multiplied by the product of (A) the number of such rights or warrants issued for each unit of such Reference Security and (B) the number of units of such Reference Security constituting part of the Reference Property on the date of issuance of such rights or warrants, immediately prior to such issuance, without interest thereon. For purposes of the foregoing, the fair market value of each such right or warrant shall be the quotient of (x) the highest net bid, as of approximately 10:00 A.M., New York City time, on the fifth Business Day following the Receipt Date for settlement three Business Days later, by a recognized securities dealer in The City of New York selected by or on behalf of the Company (from three (or such fewer number of dealers as may be providing such bids) such recognized dealers selected by or on behalf of the Company), for the purchase by such quoting dealer of the number of rights or warrants (the "Aggregate Number") that a holder of such Reference Security would receive if such holder held, as of the record date for determination of stockholders entitled to receive such rights or warrants, a number of units of such Reference Security equal to the product of (1) the aggregate number of Outstanding STRYPES as of such record date and (2) the number of units of such Reference Security constituting part of the Reference Property, divided by (y) the Aggregate Number. Each such adjustment shall become effective on the fifth Business Day following the Receipt Date of such rights or warrants. If for any reason the Company is unable to obtain the required bid on the fifth Business Day following the Receipt Date, it shall attempt to obtain such bid at successive intervals of three months thereafter and on the third Trading Day prior to the Maturity Date until it is able to obtain the required bid. From the date of issuance of such rights or warrants until the required bid is obtained, the Reference Property shall include the number of such rights or

by the number of units of such Reference Security constituting part of the Reference Property on the date of issuance of such rights or warrants, immediately prior to such issuance, and such rights or warrants constituting part of the Reference Property shall be deemed for all purposes hereof to have a fair market value of zero.

In the case of the event referred to in clause (v) above, the Reference Property shall be adjusted to include, from and after such dividend, distribution or issuance, (x) in respect of that portion, if any, of the Distributed Assets consisting of cash, the amount of such Distributed Assets consisting of cash received for each unit of such Reference Security multiplied by the number of units of such Reference Security constituting part of the Reference Property on the date of such dividend, distribution or issuance, immediately prior to such dividend, distribution or issuance, without interest thereon, plus (y) in respect of that portion, if any, of the Distributed Assets which are other than cash, the number or amount of each type of Distributed Assets other than cash received with respect to each unit of such Reference Security multiplied by the number of units of such Reference Security constituting part of the Reference Property on the date of such dividend, distribution or issuance, immediately prior to such dividend, distribution or issuance.

An "Extraordinary Cash Dividend" means, with respect to any consecutive 12-month period, the amount, if any, by which the aggregate amount of all cash dividends on any Reference Security consisting of capital stock occurring in such 12-month period (or, if such Reference Security was not outstanding at the commencement of such 12-month period, occurring in such shorter period during which such Reference Security was outstanding) exceeds on a per share basis 12% of the average of the Closing Prices per share of such Reference Security over such 12-month period (or such shorter period during which such Reference Security was outstanding); provided that, for purposes of the foregoing definition, the amount of cash dividends paid on a per share basis will be appropriately adjusted to reflect the occurrence during such period of any stock dividend or distribution of shares of capital stock of the issuer of such Reference Security or any subdivision, split, combination or reclassification of shares of such Reference Security.

In the event of (A) any consolidation or merger of an issuer of a Reference Security with or into another entity (other than a merger or consolidation in which such issuer is the continuing corporation and in which the Reference Security outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of such issuer or another entity), (B) any statutory exchange of securities of an issuer of a Reference Security with another entity (other than in connection with a merger or acquisition) or (C) any liquidation, dissolution, winding up or bankruptcy of an issuer of a Reference Security (excluding any distribution in such event referred to in clause (v) above) (any such event described in clause (A), (B) or (C), a "Reorganization Event"), the Reference Property shall be adjusted to include, from and after the effective date for such Reorganization Event, in lieu of the number of units of such Reference Security constituting part of the Reference Property immediately prior to the effective date for such Reorganization Event, the amount or number of any cash, securities and/or other property owned or received in such Reorganization Event with respect to each unit of such Reference Security multiplied by the number of units of such Reference Security constituting part of the Reference Property immediately prior to the effective date for such Reorganization Event.

No adjustments will be made for certain other events, such as offerings of IMC Common Stock by IMC for cash or in connection with acquisitions. Likewise, no adjustments will be made for any sales of IMC Common Stock by GVI.

The Company is required, within ten Business Days following the occurrence of an event that requires an adjustment to the Reference Property (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), to provide written notice to the Trustee and to the holders of the STRYPES of the occurrence of such event and a statement in reasonable detail setting forth the amount or number of each type of Reference Security and other property then constituting part of the Reference Property.

FRACTIONAL INTERESTS

No fractional units of any Reference Security will be delivered if the Company pays and discharges the STRYPES by delivering Reference Property. In lieu of any fractional unit otherwise deliverable in respect of all STRYPES of any holder on the Maturity Date, such holder shall be entitled to receive an amount in cash equal to the value of such fractional unit based on the average Closing Price per unit of such Reference Security on the 20 Trading Days

immediately prior to, but not including, the second Trading Day preceding the Maturity Date.

To the extent practicable, the Company will deliver fractional interests of any Reference Property other than cash or a Reference Security if the Company pays and discharges the STRYPES by delivering Reference Property. If such delivery is not practicable, in lieu of delivering any such fractional interest otherwise deliverable in respect of all STRYPES of any holder on the Maturity Date, such holder shall be entitled to receive an amount in cash equal to the value of such fractional interest based on the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such Reference Property other than cash or a Reference Security.

REDEMPTION, SINKING FUND AND PAYMENT PRIOR TO MATURITY

The STRYPES are not subject to redemption by the Company prior to the Maturity Date and do not contain sinking fund or other mandatory redemption provisions. The STRYPES are not subject to payment prior to the Maturity Date at the option of the holder.

RANKING

The STRYPES will be unsecured obligations and will rank pari passu with all other unsecured and unsubordinated indebtedness of the Company. At March 29, 1996, the Company had long-term borrowings outstanding of \$20,226 million. In addition, at March 29, 1996, there were \$526 million of bank loans and \$17,222 million of commercial paper outstanding.

The Company had no secured debt at March 29, 1996. At such date, collateralized financing transactions of the Company's subsidiaries consisted of \$3,768 million of cash deposits for securities loaned and \$61,657 million of securities sold under agreements to repurchase. See Note 4 to "Summary Financial Information" in the ML&Co. Prospectus.

There are no contractual restrictions on the ability of the Company or its subsidiaries to incur additional secured or unsecured debt. However, borrowings by certain subsidiaries, including MLPF&S, are restricted by net capital requirements under the Exchange Act and under rules of certain exchanges and other regulatory bodies. See "Description of the STRYPES--Ranking" in the ML&Co. Prospectus.

PURCHASE AGREEMENT

Pursuant to the Purchase Agreement described under "Certain Arrangements with GVI," GVI is obligated to deliver to the ML&Co. Subsidiary immediately prior to the Maturity Date the Reference Property required by the Company to pay and discharge all of the STRYPES (including any STRYPES issued pursuant to the over-allotment option granted by the Company to the Underwriter). In lieu of delivering the Reference Property immediately prior to the Maturity Date, GVI has the right to satisfy its obligation under the Purchase Agreement by delivering at such time cash in an amount equal to the value of such Reference Property immediately prior to the Maturity Date. Such right, if exercised by GVI, must be exercised with respect to all of the Reference Property deliverable pursuant to the Purchase Agreement.

LISTING

The STRYPES have been approved for listing on the NYSE, subject to official notice of issuance.

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CERTAIN ARRANGEMENTS WITH GVI

Pursuant to the Purchase Agreement, GVI is obligated to deliver to the ML&Co. Subsidiary immediately prior to the Maturity Date the Reference Property required by the Company to pay and discharge all of the STRYPES (including any STRYPES issued pursuant to the over-allotment option granted by the Company to the Underwriter). In lieu of delivering the Reference Property immediately prior to the Maturity Date, GVI has the right to satisfy its obligation under the Purchase Agreement by delivering at such time cash in an amount equal to the value of such Reference Property immediately prior to the Maturity Date. Such right, if exercised by GVI, must be exercised with respect to all of the Reference Property deliverable pursuant to the Purchase Agreement. Under the Purchase Agreement, the Company has agreed to pay and discharge the STRYPES by delivering to the holders thereof on the Maturity Date the form of consideration that the ML&Co. Subsidiary receives from GVI. The consideration to be paid by the ML&Co. Subsidiary under the Purchase Agreement is \$ in the aggregate, and is payable to GVI on or about , 1996. No other consideration is payable by the ML&Co. Subsidiary to GVI in connection with its acquisition of the Reference Property pursuant to the Purchase Agreement or the performance of the Purchase Agreement by GVI. The Company has agreed with GVI that, without the prior consent of GVI, it will not amend the Indenture in any respect that would adversely affect any obligation of GVI under the Purchase

Agreement, including, without limitation, increasing the consideration that GVI is obligated to deliver pursuant to the Purchase Agreement.

Until such time, if any, as GVI shall have delivered the Reference Property to the ML&Co. Subsidiary pursuant to the terms of the Purchase Agreement, GVI will retain all ownership rights with respect to the Reference Property held by it (including, without limitation, voting rights and rights to receive any dividends, interest or other distributions in respect thereof).

GVI has no obligations with respect to the STRYPES or amounts to be paid to holders thereof, including any obligation to take the needs of the Company or of holders of the STRYPES into consideration in determining whether to deliver the Reference Property or cash or for any other reason. The Purchase Agreement among the Company, the ML&Co. Subsidiary and GVI is a commercial transaction and does not create any rights in, or for the benefit of, any holder of STRYPES.

In the event GVI does not perform under the Purchase Agreement, the Company will be required to otherwise acquire the Reference Property for delivery to the holders of the STRYPES on the Maturity Date, unless it elects to exercise its option to deliver cash with an equal value.

For more information regarding the relationship between GVI and IMC and the IMC Common Stock (including the preferred stock purchase rights associated therewith) that may be delivered to the holders of STRYPES on the Maturity Date, see the IMC Prospectus which accompanies this Prospectus Supplement and the ML&Co. Prospectus.

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CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Set forth in full below is the opinion of Brown & Wood, counsel to the Company, as to certain United States Federal income tax consequences of the purchase, ownership and disposition of the STRYPES. Such opinion is based upon laws, regulations, rulings and decisions now in effect (or, in the case of certain regulations, in proposed form or in final form but not yet effective), all of which are subject to change (including retroactive changes in effective dates) or possible differing interpretations. The discussion below deals only with STRYPES held as capital assets and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, tax-exempt entities, or persons holding STRYPES as a hedge against currency risks or as a position in a "straddle" for tax purposes. It also does not deal with holders of STRYPES other than original purchasers thereof (except where otherwise specifically noted herein). The following discussion also does not address the tax consequences of investing in the STRYPES arising under the laws of any state, local or foreign jurisdiction. Persons considering the purchase of the STRYPES should consult their own tax advisors concerning the application of the United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the STRYPES arising under the laws of any other taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a STRYPES that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate or trust the income of which is subject to United States Federal income taxation regardless of its source or (iv) any other person whose income or gain in respect of a STRYPES is effectively connected with the conduct of a United States trade or business. As used herein, the term "non-U.S. Holder" means a beneficial owner of a STRYPES that is not a U.S. Holder.

GENERAL

There are no statutory provisions, regulations (except possibly the Treasury Regulations as described below), published rulings or judicial decisions addressing or involving the characterization, for United States Federal income tax purposes, of the STRYPES or securities with terms substantially the same as the STRYPES. Accordingly, the proper United States Federal income tax characterization and treatment of the STRYPES is uncertain. Pursuant to the terms of the Indenture, the Company and any holder of a STRYPES agree to treat each STRYPES as a unit (a "Unit") consisting of (i) a debt instrument (the "Debt Instrument") with a fixed principal amount unconditionally payable on the Maturity Date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES and (ii) a forward purchase contract (the "Forward Contract") pursuant to which the holder agrees to use the principal payment due on the Debt Instrument to purchase on the Maturity Date the Reference Property which the Company is obligated to deliver at that time (subject to the Company's right to deliver cash in lieu of the Reference Property). Therefore, the Company currently intends to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract for United States Federal income tax purposes and, where required, intends to file information returns with the Internal Revenue Service ("IRS") in accordance

with such treatment, in the absence of any change or clarification in the law, by regulation or otherwise, requiring a different characterization and treatment of the STRYPES for United States Federal income tax purposes. In the opinion of Brown & Wood, counsel to the Company, such characterization and tax treatment of the STRYPES, although not the only reasonable characterization and tax treatment, is based on reasonable interpretations of law currently in effect and, even if successfully challenged by the IRS, will not result in the imposition of penalties.

Prospective investors in the STRYPES should be aware, however, that no ruling is being requested from the IRS with respect to the STRYPES, the IRS is not bound by the characterization of each STRYPES by the Company and the holders thereof as a Unit consisting of the Debt Instrument and the Forward Contract, and the IRS could possibly assert a different position as to the proper United States Federal income tax characterization and treatment of the STRYPES. For instance, it is possible that the IRS could assert that

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each STRYPES should be treated entirely as a single debt instrument of the Company for United States Federal income tax purposes. Except where otherwise specifically provided herein, the following discussion of the principal United States Federal income tax consequences of the purchase, ownership and disposition of the STRYPES is based upon the assumption that each STRYPES will be characterized and treated as a Unit consisting of the Debt Instrument and the Forward Contract for United States Federal income tax purposes. As discussed in greater detail herein, if the STRYPES are not in fact ultimately characterized and treated as a Unit consisting of the Debt Instrument and the Forward Contract for United States Federal income tax purposes, then the United States Federal income tax treatment of the purchase, ownership and disposition of the STRYPES could significantly differ from the treatment discussed immediately below with the result that the timing and character of income, gain or loss recognized on a STRYPES could significantly differ from the timing and character of income, gain or loss recognized on a STRYPES had each STRYPES in fact been characterized and treated as a Unit consisting of the Debt Instrument and the Forward Contract for United States Federal income tax purposes.

U.S. HOLDERS

As previously discussed, pursuant to the terms of the Indenture, the Company and any holder of a STRYPES agree to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract. Consistent with this treatment of the STRYPES, pursuant to the terms of the Indenture, a U.S. Holder of a STRYPES will be required to include currently in income payments denominated as interest that are made with respect to a STRYPES in accordance with such U.S. Holder's regular method of tax accounting. Furthermore, pursuant to the agreement contained in the Indenture to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, any holder of a STRYPES agrees to allocate the purchase price paid by such holder to acquire the STRYPES between the two components of the Unit (i.e., the Debt Instrument and the Forward Contract) based upon their relative fair market values (as determined on the purchase date). The portion of the total purchase price so allocated by the holder to each component of the Unit will generally constitute the holder's initial tax basis for each such component of the Unit. Accordingly, in the event that the fair market value of the Debt Instrument (as determined on the purchase date) exceeds the purchase price paid by the holder to acquire the STRYPES, the holder would be deemed to have acquired the Debt Instrument for an amount equal to the fair market value of the Debt Instrument (as determined on the purchase date) and would be deemed to have assumed the Forward Contract component of the STRYPES in exchange for a payment in an amount equal to the excess of the fair market value of the Debt Instrument (as determined on the purchase date) over the purchase price paid by the holder to acquire the STRYPES. In such event, such deemed payment received by the holder in respect of the Forward Contract should only be taken into account by the holder as an additional amount realized with respect to the Forward Contract on the earlier of the sale or other disposition of the STRYPES by the holder or the Maturity Date (which would either reduce the holder's tax basis in any Reference Property received thereby or, if the STRYPES are paid in cash on the Maturity Date or sold prior to the Maturity Date, increase the amount of gain or decrease the amount of loss realized with respect to the Forward Contract). Pursuant to the terms of the Indenture, with respect to acquisitions of STRYPES in connection with the original issuance thereof, the Company and the holders agree to allocate \$ _____ of the entire initial purchase price of a STRYPES (i.e., the issue price of a STRYPES) to the Debt Instrument component and to allocate the remaining \$ _____ of the entire initial purchase price of a STRYPES to the Forward Contract component. Based upon the foregoing, pursuant to the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, a holder who acquires a STRYPES in connection with the original issuance thereof, will have agreed to treat such acquisition of the STRYPES by the holder as a purchase of the Debt Instrument by the holder for \$ _____ and the making of an initial payment by the holder with respect to the Forward Contract of \$ _____.

Under general principles of current United States Federal income tax law, payments of interest on a debt instrument (e.g., the Debt Instrument) generally

will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular

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method of tax accounting). In addition, a debt instrument will be treated as having been issued with original issue discount for United States Federal income tax purposes to the extent that the stated redemption price at maturity of the debt instrument (generally the debt instrument's stated principal amount) exceeds the debt instrument's issue price, if such excess equals or exceeds a de minimis amount (generally 1/4 of 1% of the debt instrument's stated redemption price at maturity multiplied by the number of complete years to maturity from its issue date). Pursuant to the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, each such Debt Instrument component will be treated, for these purposes as having an issue price equal to \$. Since the stated redemption price at maturity of each such Debt Instrument component (i.e., \$) does not exceed its issue price (i.e., \$) by an amount that is equal to or greater than \$ (i.e., the applicable de minimis amount), the Debt Instrument component of each Unit will not be treated as having been issued with any original issue discount.

Under the foregoing principles and in accordance with the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, the quarterly interest payments payable with respect to the STRYPES at the stated interest rate of % of the issue price of the STRYPES per annum (the "Interest Payments") generally will be taxable to a U.S. Holder as ordinary interest income on the respective dates that such Interest Payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting). On the Maturity Date, pursuant to the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, a U.S. Holder will recognize capital gain or loss with respect to the Debt Instrument in an amount equal to the difference, if any, between the principal amount of the Debt Instrument (i.e., the issue price of the STRYPES) and such U.S. Holder's adjusted tax basis in the Debt Instrument. Such capital gain or loss will generally be long-term capital gain or loss if the STRYPES has been held by the U.S. Holder for more than one year as of the Maturity Date. In addition, pursuant to the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, on the Maturity Date, if the Company delivers Reference Property upon payment of the STRYPES, a U.S. Holder will generally not realize any taxable gain or loss on the exchange, pursuant to the Forward Contract, of the principal amount of the Debt Instrument for the Reference Property. However, a U.S. Holder will generally be required to recognize taxable gain or loss with respect to any cash received in lieu of fractional interests and any Reference Property consisting of cash. The amount of such gain or loss recognized by a U.S. Holder will be equal to the difference, if any, between the amount of cash received by the U.S. Holder and the portion of the sum of the principal amount of the Debt Instrument and the U.S. Holder's tax basis in the Forward Contract that is allocable to the fractional interests and any Reference Property consisting of cash. Any such taxable gain or loss attributable to cash received in lieu of fractional interests will be treated as short-term capital gain or loss, and, because the matter is uncertain, any such taxable gain or loss attributable to any Reference Property consisting of cash could be treated as short-term capital gain or loss, as long-term or short-term capital gain or loss (depending upon the U.S. Holder's holding period for the STRYPES), or as ordinary income or loss. A U.S. Holder will have an initial tax basis (as allocated among the Reference Property in accordance with the relative fair market values thereof, as determined on the Maturity Date) in any Reference Property (other than any cash received in lieu of fractional interests and any Reference Property consisting of cash) received on the Maturity Date in an amount equal to the sum of the principal amount of the Debt Instrument and the U.S. Holder's tax basis in the Forward Contract less the portion of such sum that is allocable to any fractional interests and any Reference Property consisting of cash (as described above) and will realize taxable gain or loss with respect to such Reference Property received on the Maturity Date only upon the subsequent sale or disposition by the U.S. Holder of such Reference Property. In addition, a U.S. Holder's holding period for any Reference Property received by such U.S. Holder on the Maturity Date will begin on the day immediately following the Maturity Date and will not include the period during which the U.S. Holder held such STRYPES.

Alternatively, pursuant to the agreement to treat the STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, if the Company pays the STRYPES in cash on the Maturity Date, a U.S. Holder will recognize taxable gain or loss on the Maturity Date with respect to the Forward Contract (in addition to any gain or loss recognized with respect to the Debt Instrument as described above) in an

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amount equal to the difference, if any, between the total amount of cash received by such U.S. Holder on the Maturity Date and an amount equal to the

sum of the principal amount of the Debt Instrument and the U.S. Holder's tax basis in the Forward Contract. It is uncertain whether such gain or loss would be treated as capital or ordinary gain or loss. If such gain or loss is properly treated as capital gain or loss, then such gain or loss generally will be treated as long-term capital gain or loss if the STRYPES has been held by the U.S. Holder for more than one year as of the Maturity Date. If such gain or loss is properly treated as ordinary gain or loss, it is possible that the deductibility of any loss recognized on the Maturity Date with respect to the Forward Contract by a U.S. Holder who is an individual could be subject to the limitations applicable to miscellaneous itemized deductions provided for under Section 67(a) of the Internal Revenue Code of 1986, as amended (the "Code"). In general, Section 67(a) of the Code provides that an individual may only deduct miscellaneous itemized deductions for a particular taxable year to the extent that the aggregate amount of the individual's miscellaneous itemized deductions for such taxable year exceed two percent of the individual's adjusted gross income for such taxable year (although, the miscellaneous itemized deductions allowable to high-income individuals are generally subject to further limitations). Prospective investors in the STRYPES are urged to consult their own tax advisors concerning the character of any gain or loss realized on the Maturity Date with respect to the Forward Contract in the event that either (i) the Reference Property consists of cash, securities (other than IMC Common Stock) or other property or (ii) the Company elects to pay the STRYPES in cash on the Maturity Date as well as the deductibility of any such loss.

Pursuant to the agreement to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, upon the sale or other disposition of a STRYPES prior to the Maturity Date, a U.S. Holder generally will be required to allocate the total amount realized by such U.S. Holder upon such sale or other disposition (other than amounts representing accrued and unpaid Interest Payments) between the two components of the Unit (i.e., the Debt Instrument and the Forward Contract) based upon their relative fair market values (as determined on the date of disposition). Accordingly, in the event that the fair market value of the Debt Instrument (as determined on the date of disposition) exceeds the actual amount realized by the U.S. Holder upon the sale or other disposition of a STRYPES prior to the Maturity Date, the U.S. Holder would be deemed to have sold the Debt Instrument for an amount equal to the fair market value of the Debt Instrument (as determined on the date of disposition) and would be deemed to have made a payment to the purchaser of the STRYPES in exchange for such purchaser's assumption of the Forward Contract in an amount equal to the excess of the fair market value of the Debt Instrument (as determined on the date of disposition) over the actual amount realized by the U.S. Holder upon such sale or disposition of the STRYPES. A U.S. Holder will generally be required to recognize taxable gain or loss with respect to each such component in an amount equal to the difference, if any, between (or, in some cases, the sum of) the amount realized (or paid) with respect to each such component upon the sale or disposition of the STRYPES (as determined in the manner described above) and the U.S. Holder's adjusted tax basis in each such component (or, the amount deemed to have been realized by the U.S. Holder in respect of the Forward Contract). Any such gain or loss will generally be treated as long-term capital gain or loss if the U.S. Holder has held the STRYPES for more than one year at the time of disposition.

As previously discussed, prospective investors in the STRYPES should be aware that the IRS is not bound by the characterization of the STRYPES by the Company and the holders thereof as a Unit consisting of the Debt Instrument and the Forward Contract, and the IRS could possibly assert a different position as to the proper United States Federal income tax characterization and treatment of the STRYPES. For instance, it is possible that the IRS could assert that each STRYPES should be treated entirely as a single debt instrument of the Company for United States Federal income tax purposes.

If the STRYPES were ultimately characterized and treated entirely as debt instruments of the Company for United States Federal income tax purposes, then the timing and character of income, gain or loss recognized on a STRYPES would differ from the timing and character of income, gain or loss recognized on a STRYPES had each STRYPES in fact been characterized and treated for United States Federal income tax purposes as a Unit consisting of the Debt Instrument and the Forward Contract. If the STRYPES were

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ultimately characterized and treated entirely as indebtedness of the Company for United States Federal income tax purposes, under general principles of current United States Federal income tax law, the Interest Payments generally would be taxable to a U.S. Holder as ordinary interest income on the respective dates that such Interest Payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting). Under this same analysis and treatment of each STRYPES as a single debt instrument of the Company for United States Federal income tax purposes, under general principles of current United States Federal income tax law, if the fair market value (as determined on the Maturity Date) of the amount of Reference Property or cash in lieu thereof payable on the Maturity Date with respect to a STRYPES exceeds the issue price thereof, such excess could be treated as contingent interest and, if so treated, generally would be includible in income by a U.S. Holder as

ordinary interest on the Maturity Date (regardless of the U.S. Holder's regular method of tax accounting). In addition, if the fair market value (as determined on the Maturity Date) of the Reference Property or cash in lieu thereof payable on the Maturity Date with respect to a STRYPES exceeds the issue price thereof, then such STRYPES would be treated as having been retired on the Maturity Date in exchange for an amount equal to the issue price thereof. If, however, the fair market value (as determined on the Maturity Date) of the Reference Property or cash in lieu thereof payable on the Maturity Date with respect to a STRYPES is equal to or less than the issue price thereof, then such STRYPES would be treated as having been retired on the Maturity Date in exchange for an amount equal to the fair market value (as determined on the Maturity Date) of the entire amount payable on the Maturity Date with respect to such STRYPES and no portion of the amount payable on the Maturity Date with respect to such STRYPES would be treated as contingent interest. A U.S. Holder's initial tax basis in any Reference Property received by such U.S. Holder on the Maturity Date of a STRYPES would equal the fair market value (as determined on the Maturity Date) of the Reference Property received by such U.S. Holder. Furthermore, a U.S. Holder's holding period for any Reference Property received by such U.S. Holder on the Maturity Date of a STRYPES would begin on the day immediately following the Maturity Date and would not include the period during which the U.S. Holder held such STRYPES.

Moreover, under this analysis and treatment of each STRYPES as a single debt instrument of the Company for United States Federal income tax purposes, upon the sale, exchange or retirement of a STRYPES, a U.S. Holder generally would recognize taxable gain or loss in an amount equal to the difference, if any, between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid Interest Payments) and such U.S. Holder's adjusted tax basis in the STRYPES. A U.S. Holder's adjusted tax basis in a STRYPES generally would equal such U.S. Holder's initial investment in the STRYPES (as adjusted pursuant to the market discount and bond premium rules described below). Such gain or loss generally would be long-term capital gain or loss if the STRYPES were held by the U.S. Holder for more than one year (subject to the market discount rules, as discussed below). It is possible, however, that under this analysis and treatment of the STRYPES the IRS could assert that any amounts realized upon the sale or exchange of a STRYPES prior to the Maturity Date in excess of the STRYPES issue price constitutes ordinary interest income (subject to the bond premium rules, as discussed below). Nonetheless, if the STRYPES were ultimately characterized and treated entirely as indebtedness of the Company for United States Federal income tax purposes, although the matter is not free from doubt, in the opinion of Brown & Wood, counsel to the Company, under current law, any gain realized upon the sale or exchange of a STRYPES prior to the Maturity Date should be treated entirely as capital gain (subject to the market discount rules, as discussed below).

Prospective investors in the STRYPES should also be aware that on June 11, 1996, the Treasury Department issued final regulations (the "Treasury Regulations") concerning the proper United States Federal income tax treatment of contingent payment debt instruments. In the event that the STRYPES were characterized and treated entirely as debt instruments of the Company for United States Federal income tax purposes, the STRYPES would be treated as contingent payment debt instruments. The Treasury Regulations, however, only apply to debt instruments issued on or after August 13, 1996. Accordingly, due to the effective date of the Treasury Regulations, the Treasury Regulations will not apply to the STRYPES even if the STRYPES were characterized and treated entirely as debt instruments of the Company for United

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States Federal income tax purposes. In general, the Treasury Regulations would cause the timing and character of income, gain or loss reported on a contingent payment debt instrument to substantially differ from the timing and character of income, gain or loss reported on a contingent payment debt instrument under general principles of current United States Federal income tax law (as described immediately above). The Treasury Regulations provide no definitive guidance as to whether or not an instrument is properly characterized as a single debt instrument for United States Federal income tax purposes. Prospective investors in the STRYPES are urged to consult their own tax advisors concerning the effect, if any, of the Treasury Regulations on their investment in the STRYPES.

Prospective investors in the STRYPES should also be aware that it is possible that the ultimate characterization and treatment of the STRYPES for United States Federal income tax purposes could differ from the possible characterizations and treatments described herein with the result that the ultimate United States Federal income tax treatment of the purchase, ownership and disposition of the STRYPES could significantly differ from any of the treatments described herein.

Despite the foregoing, as previously discussed, pursuant to the agreement contained in the Indenture to treat each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, the Company, where required, currently intends to file information returns with the IRS treating each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract

for United States Federal income tax purposes (as described above), in the absence of any change or clarification in the law, by regulation or otherwise, requiring another characterization and treatment of the STRYPES for United States Federal income tax purposes.

MARKET DISCOUNT AND PREMIUM

In general, if a U.S. Holder purchases a debt instrument (e.g., the Debt Instrument component of a Unit) for an amount that is less than the principal amount thereof, the amount of the difference will be treated as "market discount," unless such difference is less than a specified de minimis amount (generally 1/4 of 1% of the debt instrument's stated principal amount multiplied by the number of complete years to maturity from the date the U.S. Holder purchased such debt instrument).

Under the market discount rules, a U.S. Holder will be required to treat any gain realized on the sale, exchange, retirement or other disposition of a debt instrument as ordinary income to the extent of the lesser of (i) the amount of such realized gain or (ii) the market discount which has not previously been included in income and is treated as having accrued on such debt instrument at the time of such payment or disposition. Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity of the debt instrument, unless the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a debt instrument with market discount until the maturity of the debt instrument or its earlier disposition in a taxable transaction and certain nontaxable transactions, because a current deduction is only allowed to the extent that the interest expense exceeds an allocable portion of the market discount. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratable or semiannual compounding basis), in which case the rules described above regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest income for United States Federal income tax purposes and a U.S. Holder would increase its tax basis in a debt instrument by the amount of any such currently included market discount. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

In general, if a U.S. Holder purchases a debt instrument for an amount that is greater than the principal amount thereof, such U.S. Holder will be considered to have purchased the debt instrument with

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"amortizable bond premium" equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the debt instrument and may offset ordinary interest otherwise required to be included in respect of the debt instrument during any taxable year by the amortized amount of such premium for such year (or, prior years, if such amortized premium for prior years has not yet offset interest) and would reduce its tax basis in the debt instrument by the amount of any such interest offset taken. Such election, if made, would apply to all debt instruments held by the U.S. Holder at the beginning of the taxable year to which such election applies and to all debt instruments acquired by the U.S. Holder thereafter. Such election would also be irrevocable once made, unless the U.S. Holder making such an election obtains the express written consent of the IRS to revoke such election.

MISCELLANEOUS TAX MATTERS

Special tax rules may apply to persons holding a STRYPES as part of a "synthetic security" or other integrated investment, or as part of a straddle, hedging transaction or other combination of offsetting positions. For instance, Section 1258 of the Code may possibly require certain U.S. Holders of the STRYPES who enter into hedging transactions or offsetting positions with respect to the STRYPES to treat all or a portion of any gain realized on the STRYPES as ordinary income in instances where such gain may have otherwise been treated as capital gain. U.S. Holders hedging their positions with respect to the STRYPES or otherwise holding their STRYPES in a manner described above should consult their own tax advisors regarding the applicability of Section 1258 of the Code, or any other provision of the Code, to their investment in the STRYPES.

NON-U.S. HOLDERS

Based on the treatment of each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract, in the case of a non-U.S. Holder, payments made with respect to the STRYPES should not be subject to United States withholding tax, provided that such non-U.S. Holder complies with applicable certification requirements. Any capital gain realized upon the sale or other disposition of a STRYPES by a non-U.S. Holder will generally not be subject to

United States Federal income tax if (i) such gain is not effectively connected with a United States trade or business of such non-U.S. Holder and (ii) in the case of an individual non-U.S. Holder, such individual is not present in the United States for 183 days or more in the taxable year of the sale or other disposition, or the gain is not attributable to a fixed place of business maintained by such individual in the United States and such individual does not have a "tax home" (as defined for United States Federal income tax purposes) in the United States.

As discussed above, alternative characterizations of the STRYPES for United States Federal income tax purposes are possible. Should an alternative characterization of the STRYPES, by reason of a change or clarification of the law, by regulation or otherwise, cause payments with respect to the STRYPES to become subject to withholding tax, the Company will withhold tax at the statutory rate. Prospective non-U.S. Holders of the STRYPES should consult their own tax advisors in this regard.

BACKUP WITHHOLDING AND INFORMATION REPORTING

A beneficial owner of a STRYPES may be subject to information reporting and to backup withholding at a rate of 31 percent of certain amounts paid to the beneficial owner unless such beneficial owner provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with applicable requirements of the backup withholding rules.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the IRS.

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UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement, the Company has agreed to sell to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), and the Underwriter has agreed to purchase from the Company, 5,661,119 STRYPES. Under the terms and conditions of the Underwriting Agreement, the Underwriter is committed to take and pay for all of the STRYPES, if any are taken.

The Underwriter has advised the Company that it proposes initially to offer the STRYPES directly to the public at the public offering price set forth on the cover page of this Prospectus Supplement, and to certain dealers at such price less a concession not to exceed \$ per STRYPES. The Underwriter may allow, and such dealers may reallow, a discount not to exceed \$ per STRYPES to certain other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The Company has granted the Underwriter an option exercisable for 30 days after the date of this Prospectus Supplement to purchase up to an aggregate of 849,167 additional STRYPES at the public offering price set forth on the cover page of this Prospectus Supplement, less the underwriting discount. The Underwriter may exercise this option only to cover over-allotments, if any, made on the sale of the STRYPES offered hereby.

IMC and its directors and certain officers have agreed not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, or file a registration statement under the Securities Act with respect to, any shares of IMC Common Stock, securities convertible into, exchangeable for or repayable with such shares or rights or warrants to acquire such shares, for a period of 90 days after the date of this Prospectus Supplement without the prior written consent of the Underwriter, subject to certain exceptions. GVI has agreed not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, or cause to be filed a registration statement under the Securities Act with respect to, any shares of IMC Common Stock, securities convertible into, exchangeable for or repayable with such shares or rights or warrants to acquire such shares, for a period of 90 days after the date of this Prospectus Supplement without the prior written consent of the Underwriter.

The underwriting of the STRYPES will conform to the requirements set forth in the applicable sections of Schedule E to the By-Laws of the National Association of Securities Dealers, Inc.

The STRYPES have been approved for listing on the NYSE, subject to official notice of issuance.

The Company has agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act relating to this Prospectus Supplement and the ML&Co. Prospectus (including the documents incorporated by reference therein).

VALIDITY OF THE STRYPES

The validity of the STRYPES offered hereby will be passed upon for the

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A POST- +
+EFFECTIVE AMENDMENT TO THE 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 POST-EFFECTIVE AMENDMENT TO 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, ISSUE DATE: JUNE 20, 1996

PROSPECTUS

[LOGO]
MERRILL LYNCH & CO., INC.

STRYPES /SM/

PAYABLE WITH SHARES OF COMMON STOCK OR OTHER SECURITIES
OF THE UNDERLYING ISSUER
(OR CASH WITH AN EQUAL VALUE)

Merrill Lynch & Co., Inc. (the "Company") intends to sell from time to time its Structured Yield Product Exchangeable for Stock SM, STRYPES SM. The STRYPES will be offered to the public in series and on terms determined by market conditions at the time of sale and set forth in the accompanying prospectus supplement (the "Prospectus Supplement"). The STRYPES will be unsecured obligations of the Company ranking pari passu with all of its other unsecured and unsubordinated indebtedness. See "Description of the STRYPES--Ranking."

On the maturity date of each series of STRYPES (the "Maturity Date"), the Company will pay and discharge such STRYPES by delivering to the holder thereof a number of shares of common stock or other securities (the "Underlying Securities") of the unaffiliated corporation identified in the Prospectus Supplement (the "Underlying Issuer") determined in accordance with a payment rate formula specified in the Prospectus Supplement (subject to the Company's right to deliver, with respect to all, but not less than all, STRYPES of such series, cash with an equal value). THERE CAN BE NO ASSURANCE THAT THE VALUE OF THE UNDERLYING SECURITIES (OR CASH) PAYABLE TO HOLDERS OF A SERIES OF STRYPES ON THE MATURITY DATE WILL BE EQUAL TO OR GREATER THAN THE ISSUE PRICE OF SUCH STRYPES. IF THE VALUE OF THE UNDERLYING SECURITIES (OR CASH) RECEIVED ON THE MATURITY DATE OF A SERIES OF STRYPES IS LESS THAN THE ISSUE PRICE PAID FOR SUCH STRYPES, AN INVESTMENT IN STRYPES WILL RESULT IN A LOSS. SEE "DESCRIPTION OF THE STRYPES."

Each series of STRYPES may vary, where applicable, as to aggregate issue price, Maturity Date, Underlying Issuer, Underlying Securities deliverable upon maturity, formula or other method by which the amount of such Underlying Securities will be determined, public offering or purchase price, interest rate or rates, if any, and timing of payments thereof, provision for redemption, currencies of denomination or currencies otherwise applicable thereto and any other variable terms and method of distribution. The accompanying Prospectus Supplement sets forth the specific terms with regard to the series of STRYPES in respect of which this Prospectus is being delivered.

Reference is made to any accompanying prospectus of the Underlying Issuer covering the Underlying Securities which may be received by holders of a series of STRYPES on the Maturity Date.

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

The STRYPES may be sold through Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). STRYPES may not be sold without delivery of a Prospectus Supplement describing such issue of STRYPES and the method and terms of offering thereof, and any accompanying prospectus of the Underlying Issuer covering the Underlying Securities which may be received by holders of a series of STRYPES on the Maturity Date.

The date of this Prospectus is , 1996.

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 and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy and information statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: Midwest Regional Office, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511 and Northeast Regional Office, Seven World Trade Center, New York, New York 10048. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Reports, proxy and information statements and other information concerning the Company may also be inspected at the offices of the New York Stock Exchange, the American Stock Exchange, the Chicago Stock Exchange and the Pacific Stock Exchange. The Commission maintains a Web site at <http://www.sec.gov> containing reports, proxy and information statements and other information regarding registrants, including the Company, that file electronically with the Commission.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the year ended December 29, 1995, Quarterly Report on Form 10-Q for the period ended March 29, 1996, and Current Reports on Form 8-K dated January 17, 1996, January 22, 1996, February 7, 1996, February 29, 1996, March 1, 1996, March 12, 1996, March 18, 1996, April 1, 1996, April 15, 1996, May 1, 1996, May 13, 1996, May 15, 1996 and May 28, 1996 (as amended by Form 8-K/A filed June 7, 1996) filed pursuant to Section 13 of the Exchange Act, are hereby incorporated by reference into this Prospectus.

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

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED, ON WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY (WITHOUT EXHIBITS OTHER THAN EXHIBITS SPECIFICALLY INCORPORATED BY REFERENCE) OF ANY OR ALL DOCUMENTS INCORPORATED BY REFERENCE INTO THIS PROSPECTUS. REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO MR. GREGORY T. RUSSO, SECRETARY, MERRILL LYNCH & CO., INC., 100 CHURCH STREET, 12TH FLOOR, NEW YORK, NEW YORK 10080-6512; TELEPHONE NUMBER (212) 602-8435.

THE COMMISSIONER OF INSURANCE OF THE STATE OF NORTH CAROLINA HAS NOT APPROVED OR DISAPPROVED THE OFFERING OF THE SECURITIES MADE HEREBY NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.

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MERRILL LYNCH & CO., INC.

Merrill Lynch & Co., Inc. is a holding company that, through its subsidiaries and affiliates, provides investment, financing, insurance, and related services on a global basis. Its principal subsidiary, MLPF&S, one of the largest securities firms in the world, is a leading broker in securities, options contracts, and commodity and financial futures contracts; a leading dealer in options and in corporate and municipal securities; a leading investment banking firm that provides advice to, and raises capital for, its clients; and an underwriter of selected insurance products. Other subsidiaries provide financial services on a global basis similar to those of MLPF&S and are engaged in such other activities as international banking, lending, and providing other investment and financing services. Merrill Lynch International Incorporated, through subsidiaries and affiliates, provides investment, financing, and related services outside the United States and Canada. Merrill Lynch Asset Management, LP and Fund Asset Management, LP together constitute one of the largest mutual fund managers in the world and provide investment advisory

services. Merrill Lynch Government Securities Inc. is a primary dealer in obligations issued or guaranteed by the U.S. Government and its agencies. Merrill Lynch Capital Services, Inc., Merrill Lynch Derivative Products, Inc., and Merrill Lynch Capital Markets PLC are the Company's primary derivative product dealers and enter into interest rate and currency swaps and other derivative transactions as intermediaries and as principals. The Company's insurance underwriting operations consist of the underwriting of life insurance and annuity products. Banking, trust, and mortgage lending operations conducted through subsidiaries of the Company include issuing certificates of deposit, offering money market deposit accounts, making secured loans, and providing foreign exchange trading facilities and other related services.

The principal executive office of the Company is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; its telephone number is (212) 449-1000.

USE OF PROCEEDS

The Company intends to use the net proceeds from the sale of the STRYPES for general corporate purposes. Such uses may include the funding of investments in, or extensions of credit to, its subsidiaries, the funding of assets held by the Company or its subsidiaries, including securities inventories, customer receivables and loans (including business loans, home equity loans, and loans in connection with investment banking-related merger and acquisition activities), and the refunding of maturing indebtedness. The precise amount and timing of investments in, and extensions of credit to, its subsidiaries will depend upon their funding requirements and the availability of other funds to the Company and its subsidiaries. Pending such applications, the net proceeds will be temporarily invested or applied to the reduction of short-term indebtedness. Management of the Company expects that it will, on a recurrent basis, engage in additional financings as the need arises to finance the growth of the Company or to lengthen the average maturity of its borrowings. To the extent that STRYPES being purchased for resale by MLPF&S are not resold, the aggregate proceeds to the Company and its subsidiaries would be reduced.

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SUMMARY FINANCIAL INFORMATION

The following summary of consolidated financial information was derived from, and is qualified in its entirety by reference to, the financial statements and other information and data contained in the Company's Annual Report on Form 10-K for the year ended December 29, 1995 and Quarterly Report on Form 10-Q for the period ended March 29, 1996 (the "Quarterly Report"). See "Incorporation of Certain Documents by Reference." The condensed consolidated financial statements contained in the Quarterly Report are unaudited; however, in the opinion of management of the Company, all adjustments, consisting only of normal recurring accruals, necessary for a fair statement of the results of operations have been included. The year-end results include 52 weeks for 1991, 1992, 1994, and 1995 and 53 weeks for 1993.

The Company conducts its business in highly volatile markets. Consequently, the Company's results can be affected by many factors, including general market conditions, the liquidity of secondary markets, the level and volatility of interest rates and currency values, the valuation of securities positions, competitive conditions, and the size, number, and timing of transactions. In periods of unfavorable market activity, profitability can be adversely affected because certain expenses remain relatively fixed. As a result, net earnings and revenues can vary significantly from period to period.

<TABLE>
<CAPTION>

	YEAR ENDED LAST FRIDAY IN DECEMBER					THREE MONTHS ENDED	
	1991	1992	1993	1994	1995	MARCH 31, 1995	MARCH 29, 1996

	(IN MILLIONS, EXCEPT RATIOS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues.....	\$ 12,353	\$ 13,413	\$ 16,588	\$ 18,234	\$ 21,513	\$ 5,204	\$ 6,019
Net revenues.....	\$ 7,246	\$ 8,577	\$ 10,558	\$ 9,625	\$ 10,265	\$ 2,421	\$ 3,261
Earnings before income taxes and cumulative effect of changes in accounting principles(1).....	\$ 1,017	\$ 1,621	\$ 2,425	\$ 1,730	\$ 1,811	\$ 380	\$ 671
Cumulative effect of changes in accounting principles (net of applicable income taxes) (1).....	--	\$ (58)	\$ (35)	--	--	--	--
Net earnings(1).....	\$ 696	\$ 894	\$ 1,359	\$ 1,017	\$ 1,114	\$ 228	\$ 409
Ratio of earnings to fixed charges(2).....	1.2	1.3	1.4	1.2	1.2	1.1	1.2

Total assets(3).....	\$86,259	\$107,024	\$152,910	\$163,749	\$176,857	\$176,733	\$195,884
Long-term borrowings(4)..	\$ 7,964	\$ 10,871	\$ 13,469	\$ 14,863	\$ 17,340	\$ 14,485	\$ 20,226
Stockholders' equity....	\$ 3,818	\$ 4,569	\$ 5,486	\$ 5,818	\$ 6,141	\$ 5,704	\$ 6,364

</TABLE>

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- (1) Net earnings for 1992 have been reduced by \$58 million to reflect the adoption of Statement of Financial Accounting Standards ("SFAS") No. 106, Employers' Accounting for Postretirement Benefits Other than Pensions, and SFAS No. 109, Accounting for Income Taxes. Net earnings for 1993 were reduced by \$35 million to reflect the adoption of SFAS No. 112, Employers' Accounting for Postemployment Benefits.
- (2) For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consists of earnings from continuing operations before income taxes and fixed charges. "Fixed charges" consists of interest costs, amortization of debt expense, preferred stock dividend requirements of majority-owned subsidiaries, and that portion of rentals estimated to be representative of the interest factor.
- (3) In 1994, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 39, Offsetting of Amounts Related to Certain Contracts, and FASB Interpretation No. 41, Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements, which increased assets and liabilities at December 30, 1994 by approximately \$8,500 million.
- (4) To finance its diverse activities, the Company and certain of its subsidiaries borrow substantial amounts of short-term funds on a regular basis. Although the amount of short-term borrowings varies significantly with the level of general business activity, on March 29, 1996, \$526 million of bank loans and \$17,222 million of commercial paper were outstanding. In addition, certain of the Company's subsidiaries lend securities and enter into repurchase agreements to obtain financing. At March 29, 1996, cash deposits for securities loaned and securities sold under agreements to repurchase amounted to \$3,768 million and \$61,657 million, respectively. From March 30, 1996 to June 14, 1996, long-term borrowings, net of repayments and repurchases, increased by approximately \$1,683 million.

FISCAL YEAR 1995

Global financial markets, which steadily weakened during most of 1994, generally improved during 1995, led by a more stable U.S. economy, declining interest rates, and heightened investor activity. Inflationary fears eased throughout 1995 as key U.S. economic statistics indicated slow to moderate growth. The Federal Reserve decreased short-term interest rates in July and December 1995 following seven rate increases between February 1994 and February 1995. Investors reacted favorably to these events and were more active in stock and bond markets during 1995. Net earnings for the 1995 fourth quarter were \$303 million, up 1% from the 1995 third quarter and up 88% from the 1994 fourth quarter.

Net earnings for 1995 were \$1,114 million, up 10% from 1994 net earnings of \$1,017 million. Earnings per common share were \$5.44 primary and \$5.42 fully diluted in 1995, compared with \$4.75 primary and \$4.74 fully diluted in 1994.

Total revenues were a record \$21,513 million, up 18% from 1994. Net revenues (revenues after interest expense) totaled \$10,265 million in 1995, up 7% from 1994.

Commission revenues increased 9% to a record \$3,126 million from \$2,871 million in 1994, due primarily to higher levels of listed and over-the-counter securities transactions and mutual fund commissions, partially offset by lower revenues from commodities. Commissions from listed and over-the-counter securities increased due primarily to higher trading volumes on most major U.S. and international exchanges. Mutual fund commissions increased due primarily to higher distribution and redemption fees. Distribution fees from deferred-charge funds increased due to strong fund sales in prior periods and higher asset levels. Redemption fees increased as clients repositioned invested assets.

Interest and dividend revenues increased 28% to \$12,221 million from \$9,578 million in 1994. Interest expense, which includes dividend expense, increased 31% from 1994 to \$11,248 million. Net interest and dividend profit was \$973 million, virtually unchanged from \$969 million in 1994, with increases in net interest-earning assets offset by declining interest spreads due to the flattening of the U.S. Treasury yield curve. The change in the yield curve resulted from long-term interest rates falling more than short-term rates during 1995.

Principal transactions revenues increased 8% from 1994 to \$2,519 million in 1995. Increases in equities and equity derivatives and taxable fixed-income trading revenues were partially offset by decreases in trading revenues from municipal securities, foreign exchange and commodities, and interest rate and currency swaps. Equities and equity derivatives trading revenues, in the aggregate, increased 46% to \$912 million, due primarily to improved volumes in the convertible, over-the-counter, and international equities markets, partially offset by lower equity derivatives trading revenues. Taxable fixed-

income trading revenues increased 10% to \$516 million due, in part, to higher revenues from corporate bonds and preferred stock, high-yield bonds, and non-U.S. governments and agencies securities. Trading revenues from mortgage-backed products were negatively affected by reduced market liquidity, leading to a loss. Nevertheless, trading results from mortgage-backed products, which include related net interest revenues, were positive. U.S. Government and agencies securities trading revenues were down from 1994 due to tighter spreads between U.S. Treasury securities and related futures hedges, as well as reduced retail investor demand attributable to lower interest rates. Municipal securities revenues decreased 28% to \$273 million as a result of decreased investor demand for tax-exempt investments as investors remained wary of potential tax law changes and sought higher returns in equity and taxable fixed-income securities. Foreign exchange and commodities revenues, in the aggregate, declined 22% to \$86 million. Commodities trading revenues decreased due to lower volumes. Increases in foreign exchange trading revenues resulted from higher customer volume caused by the strengthening of the U.S. dollar versus other major currencies during 1995. Interest rate and currency swaps revenues declined 2% to \$732 million. Decreases in U.S. dollar-denominated transactions were substantially offset by increased revenues in non-dollar-denominated transactions, particularly in Japanese and European markets.

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Investment banking revenues were \$1,308 million, up 5% from \$1,240 million in 1994. Strategic services revenues, which include fees for merger and acquisition activity, debt restructuring, and other advisory services, increased, as companies worldwide sought strategic partners to promote growth while cutting costs and increasing efficiencies. Underwriting revenues were down, as lower revenues from equities, private placements, high-yield debt, and mortgage-backed securities underwriting were partially offset by increased underwriting revenues from corporate bonds and preferred stock and defined asset funds.

Asset management and portfolio service fees rose 9% in 1995 to a record \$1,890 million from \$1,739 million in 1994, as a result of higher fees earned from asset management and other fee-based services. Other revenues decreased 5% from 1994 to \$449 million, due to lower net realized investment gains in 1995 compared with 1994.

Non-interest expenses were \$8,454 million, up 7% from \$7,895 million in the year-ago period. Compensation and benefits expense, which represented approximately 62% of non-interest expenses, increased 6% due primarily to increased production-related and incentive compensation and the addition of Smith New Court PLC ("Smith New Court") employees. Compensation and benefits expense as a percentage of net revenues was 51.3% in 1995, compared with 51.5% in 1994.

Occupancy costs increased 3% from 1994 primarily due to international growth. Other facilities-related costs, which include communications and equipment rental expense and depreciation and amortization expenses, rose 13% primarily due to expanded use of market data services, as well as higher depreciation expense from the purchase of technology-related assets over the past year.

Professional fees increased 16% from the year-ago period, due to higher legal fees and systems development costs related to upgrading technology and processing capabilities in customer, trading, and transaction processing systems. Advertising and market development expenses increased 6% from 1994 as a result of increased advertising, international travel, and sales promotion primarily related to international growth. Brokerage, clearing, and exchange fees increased 7% as a result of higher securities volume, particularly in international markets. Other expenses increased 4% from 1994, due primarily to a \$26 million first quarter charge for the write-off of assets related to a technology contract and \$14 million of goodwill amortization related to Smith New Court.

Income tax expense totaled \$697 million in 1995. The effective tax rate in 1995 was 38.5%, compared with 41.2% in 1994. The decrease in the effective tax rate was attributable to lower state income taxes, expanded international business activities in jurisdictions with lower tax rates, and increases in deductions for dividends received.

In 1995 the Company acquired Smith New Court, a U.K.-based global securities firm, for approximately \$800 million. The Company recorded approximately \$530 million of goodwill related to the acquisition, which is being amortized on a straight-line basis over 15 years. The Company's 1995 results include those of Smith New Court since mid-August 1995.

CERTAIN BALANCE SHEET INFORMATION AS OF DECEMBER 29, 1995

The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its business.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its investment banking, market-making, and derivative structuring activities. These activities are

subject to risks related to the creditworthiness of the issuers of, and the liquidity of the market for, such securities, in addition to the usual risks associated with investing in, financing, underwriting, and trading in investment grade instruments.

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At December 29, 1995, the fair value of long and short non-investment grade trading inventories amounted to \$5,489 million and \$353 million, respectively, and in the aggregate (i.e. the sum of long and short trading inventories) represented 6.3% of aggregate consolidated trading inventories.

At December 29, 1995, the carrying value of extensions of credit provided to corporations entering into leveraged transactions aggregated \$489 million (excluding unutilized revolving lines of credit and other lending commitments of \$127 million), consisting primarily of senior term and subordinated financings to 30 medium-sized corporations. At December 29, 1995, the Company had no bridge loans outstanding. Loans to highly leveraged corporations are carried at unpaid principal balances less a reserve for estimated losses. The allowance for loan losses is estimated based on a review of each loan, and consideration of economic, market, and credit conditions. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated \$211 million at December 29, 1995, representing investments in 62 enterprises. Equity investments in privately-held companies for which sale is restricted by government or contractual requirements are carried at the lower of cost or estimated net realizable value. At December 29, 1995, the Company held interests in partnerships, totaling \$91 million (recorded on the cost basis), that invest in highly leveraged transactions and non-investment grade securities. At December 29, 1995, the Company also committed to invest an additional \$79 million in partnerships that invest in leveraged transactions.

The Company's insurance subsidiaries hold non-investment grade securities. Non-investment grade securities were 4.2% of total insurance investments at December 29, 1995. Non-investment grade securities of insurance subsidiaries are classified as available-for-sale and are carried at fair value.

At December 29, 1995, the largest non-investment grade concentration consisted of various issues of a South American sovereign totaling \$674 million, of which \$672 million represented on-balance-sheet hedges for off-balance-sheet financial instruments. No one industry sector accounted for more than 35% of total non-investment grade positions. At December 29, 1995, the Company held an aggregate carrying value of \$164 million in debt and equity securities of issuers in various stages of bankruptcy proceedings or in default, of which 75% resulted from the Company's market-making activities in such securities.

FIRST QUARTER 1996

Global financial markets were generally strong during 1995, led by a stable U.S. economy, declining interest rates, and heightened investor activity. Market expectations for additional declines in interest rates continued through February 1996, fueling further market advances, strong investor and issuer activity, higher fee-based revenues, and improved trading profits industrywide. In March 1996, inflationary fears were stirred by the release of U.S. economic statistics indicating stronger than anticipated growth and the Federal Reserve's decision to hold short-term interest rates at current levels. This led to increases in long-term interest rates and greater market volatility, although interest rates remained low relative to the year-ago period.

Net earnings for the 1996 first quarter were a record \$409 million, up 80% from 1995 first quarter net earnings of \$228 million. Earnings per common share were \$2.03 primary and fully diluted in the 1996 first quarter, compared with \$1.08 primary and fully diluted in the 1995 first quarter. Total revenues were a record \$6,019 million in the first quarter of 1996, up 16% from the 1995 first quarter. Net revenues (revenues after interest expense) totaled \$3,261 million in the first quarter of 1996, up 35% from the 1995 first quarter.

Commissions revenues rose 44% to a record \$989 million from \$685 million in the 1995 first quarter. Commissions revenues from listed and over-the-counter securities increased to record levels due to higher trading volumes on most major U.S. and international exchanges. Mutual fund commissions advanced to record levels due to strong sales of both domestic and offshore funds.

Interest and dividend revenues decreased to \$3,010 million from \$3,030 million in the 1995 first quarter. Interest expense, which includes dividend expense, decreased to \$2,758 million from \$2,783 million in the year-ago quarter. Net interest and dividend profit was \$252 million, up slightly from \$247 million in 1995, with increases in net interest-earning assets substantially offset by the effect of lower interest rates.

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Principal transactions revenues increased 46% from the 1995 first quarter to

a record \$982 million, as higher investor activity and market volatility led to increases in virtually all trading products. Equities and equity derivatives trading revenues, in the aggregate, were up 109% to \$347 million. Trading revenues from most equity products increased, due primarily to higher trading volume and rising stock prices. International equities trading revenues, in particular, benefited from the addition of Smith New Court trading activity. Taxable fixed-income trading revenues rose 62% to \$265 million due primarily to higher revenues from non-U.S. governments and agencies, mortgage-backed securities, and high-yield bonds. Non-U.S. governments and agencies trading revenues advanced due to improved results from trading of Japanese Government Bonds, as well as increased trading volume in certain Latin American emerging markets as credit ratings improved and investors sought higher returns. Mortgage-backed securities trading revenues increased due primarily to improved liquidity and increased customer demand compared with the year-ago period. Trading revenues from high-yield bonds were up due to lower interest rates and improved credit ratings of certain issuers. Interest rate and currency swap trading revenues increased 9% to \$255 million due to higher trading revenues from non-U.S. dollar-denominated transactions, partially offset by decreases in revenues from U.S. dollar-denominated transactions. Foreign exchange and commodities trading revenues, in the aggregate, rose 94% from the 1995 first quarter to \$40 million, as foreign exchange trading revenues continued to benefit from the strengthening of the U.S. dollar versus other major currencies. Municipal securities trading revenues declined 17% to \$75 million, primarily due to continued weak investor demand for tax-exempt investments.

Investment banking revenues were \$378 million, up 52% from \$249 million in the 1995 first quarter. Underwriting revenues increased 82%, benefiting from strong levels of debt and equity underwriting industrywide, with higher fees from convertibles, corporate bonds and preferred stock, equities, and high-yield securities. Strategic services revenues were down slightly from a year ago, but remained comparable to record 1995 levels, benefiting from continued strong merger and acquisition activity.

Asset management and portfolio service fees rose 20% in 1996 to a record \$538 million from \$448 million in the first quarter of 1995, primarily as a result of strong inflows of client assets. Other revenues were \$122 million, up 4% from \$117 million reported in the 1995 first quarter.

Non-interest expenses were \$2,590 million, up 27% from \$2,041 million in the year-ago period. Compensation and benefits expense, which represented approximately 65% of non-interest expenses, increased 33% due primarily to higher incentive and production-related compensation as well as a 6% increase in the number of full-time employees, largely due to acquisitions. Compensation and benefits expense as a percentage of net revenues was 51.8% in the first quarter of 1996, compared with 52.5% in the 1995 first quarter.

Occupancy costs increased 5% from the 1995 first quarter primarily due to international growth. Other facilities-related costs, which include communications and equipment rental expense and depreciation and amortization expense, rose 16% primarily due to higher levels of business activity and increased use of market data services, as well as higher depreciation expense from the purchase of technology-related assets over the past year.

Professional fees increased 32% from the year ago period, primarily as a result of higher systems development costs related to upgrading technology and processing capabilities. Advertising and market development expenses increased 33% from the 1995 first quarter. Increased international travel and higher advertising and client promotion costs contributed to this advance. Brokerage, clearing, and exchange fees rose 27% as a result of higher trading volume, particularly in international markets. Other expenses increased 4% from 1995, primarily due to goodwill amortization related to Smith New Court.

Income tax expense totaled \$262 million in the 1996 first quarter. The effective tax rate in the 1996 first quarter was 39.0%, compared with 40.0% in the first quarter of 1995. The decrease in the effective tax rate was primarily attributable to increases in dividends qualifying for the Federal dividends received deduction, lower state taxes, and expanded international business activities.

CERTAIN BALANCE SHEET INFORMATION AS OF MARCH 29, 1996

The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its business.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its investment banking, market making, and derivative structuring activities. These activities are subject to additional risks related to the creditworthiness of the issuers and the liquidity of the market for such securities.

At March 29, 1996, the fair value of long and short non-investment grade trading inventories amounted to \$6,026 million and \$529 million, respectively, and in the aggregate (i.e., the sum of long and short trading inventories)

represented 6.6% of aggregate consolidated trading inventories.

At March 29, 1996, the carrying value of extensions of credit provided to corporations entering into leveraged transactions aggregated \$517 million (excluding unutilized revolving lines of credit and other lending commitments of \$75 million), consisting primarily of senior term and subordinated financings to 34 medium-sized corporations. In addition, at March 29, 1996, the Company had an outstanding bridge loan of \$90 million, and as of May 6, 1996, the Company had an outstanding bridge loan commitment for \$100 million. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated \$189 million at March 29, 1996, representing investments in 62 enterprises. At March 29, 1996, the Company held interests in partnerships, totaling \$82 million, that invest in highly leveraged transactions and non-investment grade securities. At March 29, 1996, the Company also committed to invest an additional \$83 million in partnerships that invest in leveraged transactions.

The Company's insurance subsidiaries hold non-investment grade securities. Non-investment grade securities were 4.7% of total insurance investments at March 29, 1996. Non-investment grade securities of insurance subsidiaries are classified as available-for-sale and are carried at fair value.

At March 29, 1996, the largest non-investment grade concentration consisted of various issues of a South American sovereign totaling \$764 million, which primarily represented on-balance-sheet hedges for off-balance-sheet financial instruments. No one industry sector accounted for more than 31% of total non-investment grade positions. At March 29, 1996, the Company held an aggregate carrying value of \$169 million in debt and equity securities of issuers in various stages of bankruptcy proceedings or in default, of which 80% resulted from the Company's market-making activities in such securities.

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DESCRIPTION OF THE STRYPES

Each issue of STRYPES will be a series of Senior Debt Securities to be issued under an indenture (the "Chemical Indenture"), dated as of April 1, 1983, as amended and restated, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee"), as further amended and supplemented by a supplemental indenture to be entered into by the Company and the Trustee relating to each series of STRYPES (the "Supplemental Indenture") (the Chemical Indenture, as so amended and supplemented by the Supplemental Indenture with respect to each series of STRYPES, the "Indenture"). The following summary of certain provisions of the Indenture does not purport to be complete and is qualified in its entirety by reference to the Indenture. All capitalized terms not otherwise defined herein have the meanings specified in the Indenture. Whenever defined terms of the Indenture are referred to herein, such defined terms are incorporated by reference herein.

GENERAL

The Supplemental Indenture will provide that STRYPES of the related series may be issued from time to time under the Indenture, up to a specified aggregate issue price, upon satisfaction of certain conditions precedent. The Supplemental Indenture will establish the terms of the related series of STRYPES, including: (1) the issue price per STRYPES; (2) the date on which such STRYPES will mature; (3) the consideration deliverable or payable with respect to such STRYPES, whether at maturity or upon earlier acceleration, and the formula or other method by which the amount of such consideration will be determined; (4) the rate or rates per annum (which may be fixed or variable) at which such STRYPES will bear interest, if any; (5) the dates on which such interest, if any, will be payable; (6) the provisions for redemption of such STRYPES, if any, the redemption price and any remarketing arrangements relating thereto; (7) the sinking fund requirements, if any, with respect to such STRYPES; (8) whether such STRYPES are denominated or provide for payment in United States dollars or a foreign currency or units of two or more of such foreign currencies; (9) whether and under what circumstances the Company will pay additional amounts ("Additional Amounts") in respect of such STRYPES held by a person who is not a U.S. person (as defined in the Prospectus Supplement, as applicable) in respect of specified taxes, assessments or other governmental charges and whether the Company has the option to redeem the affected STRYPES rather than pay such Additional Amounts; (10) the title of the STRYPES and the series of which such STRYPES shall be a part; and (11) the obligation of the Company to pay and discharge such STRYPES at maturity by delivery of Underlying Securities (or, cash with an equal value), the formula or other method by which the amount of such Underlying Securities will be determined, and the terms and conditions upon which such payment and discharge shall be effected. Reference is made to the Prospectus Supplement for the terms of the STRYPES being offered thereby.

Under the Indenture, the Company will have the ability, in addition to the ability to issue STRYPES with terms different from those of STRYPES previously issued, to "reopen" a previous series of STRYPES and issue additional STRYPES of such series.

Issue price and interest, premium and Additional Amounts, if any, and Underlying Securities will be payable or deliverable in the manner, at the places and subject to the restrictions set forth in the Indenture, the STRYPES and the Prospectus Supplement relating thereto, provided that payment of any interest and any Additional Amounts may be made at the option of the Company by check mailed to the holders of registered STRYPES at their registered addresses.

STRYPES may be presented for exchange, and registered STRYPES may be presented for transfer, in the manner, at the places and subject to the restrictions set forth in the Indenture, the STRYPES and the Prospectus Supplement relating thereto. No service charge will be made for any transfer or exchange of STRYPES, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

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RANKING

The STRYPES will be unsecured obligations and will rank pari passu with all other unsecured and unsubordinated indebtedness of the Company. Since the Company is a holding company, the right of the Company, and hence the right of creditors of the Company (including the holders of the STRYPES), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Company itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to the Company are restricted by net capital requirements under the Exchange Act and under rules of certain exchanges and other regulatory bodies.

SECURITIES DEPOSITORY

Upon issuance, each series of STRYPES will be represented by one or more fully registered global securities (the "Global Notes"). Each such Global Note will be deposited with, or on behalf of, The Depository Trust Company, as Securities Depository (the "Securities Depository"), and registered in the name of the Securities Depository or a nominee thereof. Unless and until it is exchanged in whole or in part for STRYPES in definitive form under the limited circumstances described below, no Global Note may be transferred except as a whole by the Securities Depository to a nominee of such Securities Depository or by a nominee of such Securities Depository to such Securities Depository or another nominee of such Securities Depository or by such Securities Depository or any such nominee to a successor of such Securities Depository or a nominee of such successor.

The Securities Depository has advised the Company as follows: The Securities Depository is a limited-purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. The Securities Depository was created to hold securities of its participants ("Participants") and to facilitate the clearance and settlement of securities transactions among its Participants in such securities through electronic book-entry changes in accounts of the Participants, thereby eliminating the need for physical movement of securities certificates. The Securities Depository's Participants include securities brokers and dealers (including MLPF&S), banks, trust companies, clearing corporations, and certain other organizations.

The Securities Depository is owned by a number of Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the Securities Depository's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("Indirect Participants").

Purchases of STRYPES must be made by or through Participants, which will receive a credit on the records of the Securities Depository. The ownership interest of each actual purchaser of each STRYPES ("Beneficial Owner") is in turn to be recorded on the Participants' or Indirect Participants' records. Beneficial Owners will not receive written confirmations from the Securities Depository of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Ownership of beneficial interest in such Global Note will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by the Securities Depository (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons held through Participants). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in Global Notes.

So long as the Securities Depository, or its nominee, is the registered owner of a Global Note, the Securities Depository or its nominee, as the case may be, will be considered the sole owner or holder of the STRYPES

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represented by such Global Note for all purposes under the Indenture. Except as provided below, Beneficial Owners in a Global Note will not be entitled to have the STRYPES represented by such Global Notes registered in their names, will not receive or be entitled to receive physical delivery of the STRYPES in definitive form and will not be considered the owners or holders thereof under the Indenture. Accordingly, each Person owning a beneficial interest in a Global Note must rely on the procedures of the Securities Depository and, if such Person is not a Participant, on the procedures of the Participant through which such Person owns its interest, to exercise any rights of a holder under the Indenture. The Company understands that under existing industry practices, in the event that the Company requests any action of holders or that an owner of a beneficial interest in such a Global Note desires to give or take any action which a holder is entitled to give or take under the Indenture, the Securities Depository would authorize the Participants holding the relevant beneficial interests to give or take such action, and such Participants would authorize Beneficial Owners owning through such Participants to give or take such action or would otherwise act upon the instructions of Beneficial Owners. Conveyance of notices and other communications by the Securities Depository to Participants, by Participants to Indirect Participants, and by Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of any amount with respect to STRYPES registered in the name of the Securities Depository or its nominee will be made to the Securities Depository or its nominee, as the case may be, as the holder of the Global Notes representing such STRYPES. None of the Company, the Trustee or any other agent of the Company or agent of the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests or for supervising or reviewing any records relating to such beneficial ownership interests. The Company expects that the Securities Depository, upon receipt of any payment in respect of a Global Note, will credit the accounts of the Participants with payment in amounts proportionate to their respective holdings of beneficial interest in such Global Note as shown on the records of the Securities Depository. The Company also expects that payments by Participants to Beneficial Owners will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants.

If, with respect to a series of STRYPES, (x) the Securities Depository is at any time unwilling or unable to continue as Securities Depository and a successor depository is not appointed by the Company within 60 days, (y) the Company executes and delivers to the Trustee a Company Order to the effect that the Global Notes shall be exchangeable or (z) an Event of Default has occurred and is continuing with respect to any STRYPES of that series, the Company will issue STRYPES in definitive form in exchange for all of the Global Notes representing the STRYPES of that series. Such definitive STRYPES shall be registered in such name or names as the Securities Depository shall instruct the Trustee. It is expected that such instructions may be based upon directions received by the Securities Depository from Participants with respect to ownership of beneficial interests in such Global Notes.

MERGER AND CONSOLIDATION

The Company may consolidate or merge with or into any other corporation, and the Company may sell, lease or convey all or substantially all of its assets to any corporation, provided that (i) the corporation (if other than the Company) formed by or resulting from any such consolidation or merger or which shall have received such assets shall be a corporation organized and existing under the laws of the United States of America or a state thereof and shall assume the due and punctual delivery or payment of the Underlying Securities (or cash with an equal value) in respect of, any interest and Additional Amounts on, and any other amounts payable with respect to, the STRYPES of each series and the due and punctual performance and observance of all of the covenants and conditions of the Indenture to be performed or observed by the Company, and (ii) the Company or such successor corporation, as the case may be, shall not immediately thereafter be in default under the Indenture.

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LIMITATIONS UPON LIENS

The Indenture provides that the Company may not, and may not permit any Subsidiary (defined in the Indenture as any corporation of which at the time of determination the Company and/or one or more Subsidiaries owns or controls directly or indirectly 50% of the shares of Voting Stock of such corporation)

to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance (except for certain liens specifically permitted by the Indenture) on the Voting Stock owned directly or indirectly by the Company of any Subsidiary (other than a Subsidiary which, at the time of incurrence of such secured indebtedness, has a net worth of less than \$3,000,000) without making effective provision whereby the Outstanding STRYPES will be secured equally and ratably with such secured indebtedness.

LIMITATIONS ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

The Indenture provides that the Company may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary (defined in the Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by the Company). In addition, the Indenture provides that the Company may not permit MLPF&S to (i) merge or consolidate, unless the surviving company is a Controlled Subsidiary, or (ii) convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

EVENTS OF DEFAULT

Unless otherwise specified in a Prospectus Supplement, each of the following will constitute an Event of Default under the Indenture with respect to each series of STRYPES: (a) failure to pay and discharge the STRYPES of that series with the Underlying Securities or, if the Company so elects, to pay an equivalent amount in cash in lieu thereof when due; (b) failure to pay the Redemption Price or any redemption premium with respect to any STRYPES of that series when due; (c) failure to deposit any sinking fund payment, when and as due by the terms of any STRYPES of that series; (d) failure to pay any interest on or any Additional Amounts in respect of any STRYPES of that series when due, continued for 30 days; (e) failure to perform any other covenant of the Company contained in the Indenture for the benefit of that series or in the STRYPES of that series, continued for 60 days after written notice has been given to the Company by the Trustee, or to the Company and the Trustee by the holders of at least 10% of the aggregate issue price of the Outstanding STRYPES of that series, as provided in the Indenture; (f) certain events in bankruptcy, insolvency or reorganization of the Company; and (g) any other Event of Default provided with respect to STRYPES of that series.

Unless otherwise specified in a Prospectus Supplement, if an Event of Default (other than an Event of Default described in clause (f) of the immediately preceding paragraph) with respect to the STRYPES of any series shall occur and be continuing, either the Trustee or the holders of at least 25% of the aggregate issue price of the Outstanding STRYPES of that series by notice as provided in the Indenture may declare an amount equal to the aggregate issue price of all the STRYPES of that series and the interest accrued thereon and Additional Amounts payable in respect thereof, if any, to be immediately due and payable in cash. If an Event of Default described in said clause (f) shall occur, an amount equal to the aggregate issue price of all the STRYPES of that series and the interest accrued thereon and Additional Amounts payable in respect thereof, if any, will become immediately due and payable in cash without any declaration or other action on the part of the Trustee or any holder. After such acceleration, but before a judgment or decree based on acceleration, the holders of a majority of the aggregate issue price of the Outstanding STRYPES of that series may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the non-payment of the amount equal to the aggregate issue price of all the STRYPES of that series due by reason of such acceleration, have been cured or waived as provided in the Indenture. See "Modification and Waiver" below.

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Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of STRYPES of any series, unless such holders of that series shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. Subject to such provisions for the indemnification of the Trustee, the holders of a majority of the aggregate issue price of the STRYPES of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the STRYPES of that series.

The Company will be required to furnish to the Trustee annually a statement by certain of its officers as to whether or not the Company, to their knowledge, is in default in the fulfillment of any of its obligations under the Indenture and, if so, specifying all such known defaults.

The STRYPES and other series of Senior Debt Securities issued under the Indenture will not have the benefit of any cross-default provisions with other

indebtedness of the Company.

MODIFICATION AND WAIVER

Unless otherwise specified in a Prospectus Supplement, modifications of and amendments to the Indenture affecting a series of STRYPES may be made by the Company and the Trustee with the consent of the holders of 66 2/3% of the aggregate issue price of the Outstanding STRYPES of such series; provided, however, that no such modification or amendment may, without the consent of the holder of each Outstanding STRYPES of such series affected thereby, (a) change the Maturity Date or the Stated Maturity of any installment of interest or Additional Amounts on any STRYPES or any premium payable on the redemption thereof, or change the Redemption Price, (b) reduce the amount of Underlying Securities payable with respect to any STRYPES (or reduce the amount of cash payable in lieu thereof), (c) reduce the amount of interest or Additional Amounts payable on any STRYPES or reduce the amount of cash payable with respect to any STRYPES upon acceleration of the maturity thereof, (d) change the place or currency of payment of interest or Additional Amounts on, or any amount of cash payable with respect to, any STRYPES, (e) impair the right to institute suit for the enforcement of any payment on or with respect to any STRYPES, including the payment of Underlying Securities with respect to any STRYPES, (f) reduce the percentage of the aggregate issue price of Outstanding STRYPES of such series, the consent of whose holders is required to modify or amend the Indenture, (g) reduce the percentage of the aggregate issue price of Outstanding STRYPES of such series necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults or (h) modify such provisions with respect to modification and waiver. Except as provided in the Indenture, no modification of or amendment to the Indenture may adversely affect the rights of a holder of any other Senior Debt Security without the consent of such holder.

The holders of a majority of the aggregate issue price of each series of STRYPES may waive compliance by the Company with certain restrictive provisions of the Indenture. The holders of a majority of the aggregate issue price of each series of STRYPES may waive any past default under the Indenture, except a default in the payment of the Underlying Securities with respect to any STRYPES of that series, or of cash payable in lieu thereof, or in the payment of any premium, interest or Additional Amounts on any STRYPES of that series for which payment had not been subsequently made or in respect of a covenant and provision of the Indenture which cannot be modified or amended without the consent of the holder of each Outstanding STRYPES of such series affected.

GOVERNING LAW

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

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PLAN OF DISTRIBUTION

The Company may sell STRYPES to the public through MLPF&S. The accompanying Prospectus Supplement describes the terms of the STRYPES offered thereby, including the public offering or purchase price, any discounts and commissions to be allowed or paid to MLPF&S, all other items constituting underwriting compensation, the discounts and commissions to be allowed or paid to dealers, if any, and the exchanges, if any, on which the STRYPES will be listed. Only MLPF&S will act as an underwriter in connection with the STRYPES. Under certain circumstances, the Company may repurchase STRYPES and reoffer them to the public as set forth above. The Company may also arrange for repurchases and resales of such STRYPES by dealers.

The underwriting of STRYPES will conform to the requirements set forth in the applicable sections of Schedule E to the By-Laws of the National Association of Securities Dealers, Inc.

EXPERTS

The consolidated financial statements and related financial statement schedules of the Company and its subsidiaries included or incorporated by reference in the Company's 1995 Annual Report on Form 10-K, and incorporated by reference in this Prospectus, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports incorporated by reference herein. The information under the caption "Summary Financial Information" for each of the five years in the period ended December 29, 1995 included in this Prospectus and the Selected Financial Data under the captions "Operating Results," "Financial Position" and "Common Share Data" for each of the five years in the period ended December 29, 1995 included in the 1995 Annual Report to Stockholders of the Company, and incorporated by reference herein, has been derived from consolidated financial statements audited by Deloitte & Touche LLP, as set forth in their reports included as an exhibit to the Registration Statement or incorporated by reference herein. Such consolidated financial statements and related financial statement schedules, such Summary Financial Information and Selected Financial Data appearing or incorporated by reference

in this Prospectus and the Registration Statement of which this Prospectus is a part, have been included or incorporated herein by reference in reliance upon such reports of Deloitte & Touche LLP given upon their authority as experts in accounting and auditing.

With respect to unaudited interim financial information for the periods included in the Quarterly Reports on Form 10-Q which are incorporated herein by reference, Deloitte & Touche LLP have applied limited procedures in accordance with professional standards for a review of such information. However, as stated in their report included in any such Quarterly Report on Form 10-Q and incorporated by reference herein, they did not audit and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. Deloitte & Touche LLP are not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended, (the "Act") for any such report on unaudited interim financial information because any such report is not a "report" or a "part" of the Registration Statement prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

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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 SUPPLEMENT OR THE PROSPECTUS IN CONNECTION WITH THE OFFERING DESCRIBED HEREIN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITER. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR OF ANY SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS NOR ANY SALE MADE HEREUNDER AND THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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[LOGO]

MERRILL LYNCH & CO., INC.

% STRYPES SM
DUE , 2001

PAYABLE WITH SHARES OF COMMON STOCK OF

LOGO IMC GLOBAL INC.
(OR CASH WITH AN EQUAL VALUE)

PROSPECTUS SUPPLEMENT

MERRILL LYNCH & CO.

, 1996

SMService mark of Merrill Lynch & Co., Inc.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware, as amended, provides that under certain circumstances a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at its request in such capacity in another corporation or business association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.

Article XIII, Section 2 of the Restated Certificate of Incorporation of the Registrant provides in effect that, subject to certain limited exceptions, the Registrant shall indemnify its directors and officers to the extent authorized or permitted by the General Corporation Law of the State of Delaware.

The Form of Underwriting Agreement filed as Exhibit 1(a) provides for the indemnification of the Registrant, its controlling persons, its directors and certain of its officers by the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended. The Form of Registration Agreement filed as Exhibit 1(b) provides for the indemnification of the Registrant and its controlling persons by IMC Global Inc. against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The directors and officers of the Registrant are insured under policies of insurance maintained by the Registrant, subject to the limits of the policies, against certain losses arising from any claim made against them by reason of being or having been such directors or officers. In addition, the Registrant has entered into contracts with all of its directors providing for indemnification of such persons by the Registrant to the full extent authorized or permitted by law, subject to certain limited exceptions.

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ITEM 16. LIST OF EXHIBITS.

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EXHIBIT
NUMBER

DESCRIPTION

<C> <S>

- | | |
|------|---|
| 1(a) | --Form of Underwriting Agreement among the Company, GVI Holdings, Inc. and the Underwriter. |
| 1(b) | --Form of Registration Agreement among the Company, IMC Global Inc. and the Underwriter. |

- 4(a) --Senior Indenture, dated as of April 1, 1983, as amended and restated, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), incorporated herein by reference to Exhibit 99(c) to Registrant's Registration Statement on Form 8-A dated July 20, 1992.
 - 4(b) --Form of Tenth Supplemental Indenture to the Senior Indenture between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).
 - 4(c) --Form of certificate representing the STRYPES.
 - 5 --Opinion of Brown & Wood.
 - 10 --Form of Purchase Agreement among the Company, Merrill Lynch Mortgage Capital Inc. and GVI Holdings, Inc. relating to shares of IMC Common Stock.
 - 23(b) --Consent of Brown & Wood (included in Exhibit 5).
- </TABLE>

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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 Post-Effective Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in The City of New York and State of New York on the 20th day of June, 1996.

MERRILL LYNCH & CO., INC.

/s/ Joseph T. Willett
 By _____
 JOSEPH T. WILLETT
 (Senior Vice President and Chief
 Financial Officer)

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS POST-EFFECTIVE AMENDMENT TO THE REGISTRATION STATEMENT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON THE 20TH DAY OF JUNE, 1996.

SIGNATURE	TITLE
----- Daniel P. Tully* ----- (DANIEL P. TULLY)	Chairman of the Board, Chief Executive Officer and Director
----- David H. Komansky* ----- (DAVID H. KOMANSKY)	President, Chief Operating Officer and Director
----- Joseph T. Willett* ----- (JOSEPH T. WILLETT)	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
----- Michael J. Castellano* ----- (MICHAEL J. CASTELLANO)	Senior Vice President and Controller
----- William O. Bourke* ----- (WILLIAM O. BOURKE)	Director
----- Worley H. Clark* ----- (WORLEY H. CLARK)	Director
----- Jill K. Conway* ----- (JILL K. CONWAY)	Director

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SIGNATURE	TITLE
----- Stephen L. Hammerman* ----- (STEPHEN L. HAMMERMAN)	Director
----- Earle H. Harbison, Jr.* ----- (EARLE H. HARBISON, JR.)	Director
----- George B. Harvey* -----	Director

(GEORGE B. HARVEY)

William R. Hoover* Director

(WILLIAM R. HOOVER)

Robert P. Luciano* Director

(ROBERT P. LUCIANO)

Aulana L. Peters* Director

(AULANA L. PETERS)

John J. Phelan, Jr.* Director

(JOHN J. PHELAN, JR.)

William L. Weiss* Director

(WILLIAM L. WEISS)

/s/ Joseph T. Willett

*By: JOSEPH T. WILLETT (ATTORNEY-IN-FACT)

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EXHIBIT NUMBER	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
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MERRILL LYNCH & CO., INC.

(a Delaware corporation)

UNDERWRITING AGREEMENT

Dated: _____, 1996

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MERRILL LYNCH & CO., INC.
(a Delaware corporation)

_____% STRYPES/SM/ DUE _____, 2001

Payable with Shares of Common Stock of IMC Global Inc.

UNDERWRITING AGREEMENT

_____, 1996

World Financial Center
North Tower
New York, New York 10281-1201

Ladies and Gentlemen:

Merrill Lynch & Co., Inc., a Delaware corporation (the "Company"), and GVI Holdings, Inc., a Delaware corporation ("GVI"), confirm their respective agreements with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") with respect to the issue and sale by the Company and the purchase by the Underwriter of an aggregate of 5,661,119 of the Company's Structured Yield Product Exchangeable for Stock/SM/, _____% STRYPES/SM/ Due _____, 2001 (each, a "STRYPES") and with respect to the grant by the Company to the Underwriter of the option described in Section 2(b) hereof to purchase all or any part of 849,167 additional STRYPES to cover over-allotments, if any. The aforesaid 5,661,119 STRYPES (the "Initial Securities") to be purchased by the Underwriter and all or any part of the 849,167 STRYPES subject to the option described in Section 2(b) hereof (the "Option Securities") are hereinafter called, collectively, the "Securities." The Securities are to be issued pursuant to an indenture, dated as of April 1, 1983 and restated as of April 1, 1987, as amended and supplemented as of _____, 1996 (the "Principal Indenture"), between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee"), as further amended and supplemented by the Tenth Supplemental Indenture, dated as of June _____, 1996 (the "Supplemental Indenture"), between the Company and the Trustee, relating to the STRYPES. The Principal Indenture, as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture".

/SM/ Service mark of Merrill Lynch & Co., Inc.

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The STRYPES will be payable at maturity by delivery of the Maturity Consideration (as defined in the Supplemental Indenture) subject to the Company's option to deliver cash with an equal value. The Company, IMC and the Underwriter are concurrently entering into an agreement dated the date hereof (the "Registration Agreement") relating to the registration of shares of common stock, par value \$1.00 per share (the "IMC Common Stock"), of IMC Global Inc., a Delaware corporation ("IMC"), Common Stock that may be deliverable by the Company pursuant to the STRYPES.

The Company understands that the Underwriter proposes to make a public offering of the Securities as soon as the Underwriter deems advisable after this Agreement has been executed and delivered.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 33-65135) for the registration of debt securities, including the Securities, and warrants under the Securities Act of 1933, as amended (the "1933 Act"), and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations"), and the Company has filed post-effective amendment no. 3 and post-effective amendment no. 5 thereto, including a preliminary prospectus and preliminary prospectus supplement relating to the offering of the Securities. Promptly after execution and delivery of this Agreement, the Company will either (i) prepare and file a prospectus and prospectus supplement in accordance with the provisions of Rule 430A ("Rule 430A") of the 1933 Act Regulations and paragraph (b) of Rule 424 ("Rule 424(b)") of the 1933 Act Regulations or (ii) if the Company has elected to rely upon Rule 434 ("Rule 434") of the 1933 Act Regulations, prepare and file a term sheet (an "ML&Co. Term Sheet") in accordance with the provisions of Rule 434 and Rule 424(b). The information included in such prospectus and prospectus supplement or in such ML&Co. Term Sheet, as the case may be, that was omitted from such registration statement (as so amended) at the time it became effective but that is deemed to be part of such registration statement (as so amended) at the time it became effective (i) pursuant to paragraph (b) of Rule 430A is referred to as "Rule 430A Information" or (ii) pursuant to paragraph (d) of Rule 434 is referred to as "Rule 434 Information." Any prospectus and prospectus supplement relating to the offering of the Securities used before such registration statement (as so amended) became effective, and any prospectus and prospectus supplement relating to the offering of the Securities that omitted, as applicable, the Rule 430A Information or the Rule 434 Information, that was used after such effectiveness and prior to the execution and delivery of this Agreement, in each case excluding any IMC preliminary prospectus (as defined below) attached thereto, are herein called, collectively, an "ML&Co. preliminary prospectus." Such registration statement (as so amended), including the exhibits thereto, the schedules thereto, if any, and the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, at the time it became effective and including the Rule 430A Information and the Rule 434 Information, as applicable, is herein called the "ML&Co. Registration Statement." Any registration statement filed by the Company pursuant to Rule 462(b) of the 1933 Act Regulations is herein referred to as the "ML&Co. Rule 462(b) Registration Statement," and after such filing the term "ML&Co. Registration Statement" shall include the ML&Co. Rule 462(b) Registration Statement. The final prospectus and final prospectus supplement

relating to the offering of the Securities,

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including the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, but excluding any IMC Prospectus (as defined below) attached thereto, in the form first furnished to the Underwriter for use in connection with the offering of the Securities are collectively referred to herein as the "ML&Co. Prospectus." If Rule 434 is relied on, the term "ML&Co. Prospectus" shall refer to the ML&Co. preliminary prospectus dated _____, 1996 together with the ML&Co. Term Sheet and all references in this Agreement to the date of the ML&Co. Prospectus shall mean the date of the ML&Co. Term Sheet. For purposes of this Agreement, all references to the ML&Co. Registration Statement, any ML&Co. preliminary prospectus, the ML&Co. Prospectus or any ML&Co. Term Sheet or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the ML&Co. Registration Statement, any ML&Co. preliminary prospectus or the ML&Co. Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is incorporated by reference in the ML&Co. Registration Statement, any ML&Co. preliminary prospectus or the ML&Co. Prospectus, as the case may be, and shall be deemed to exclude all financial statements and schedules and other information which is included or incorporated by reference in any IMC preliminary prospectus or the IMC Prospectus which is attached to any ML&Co. preliminary prospectus or the ML&Co. Prospectus; and all references in this Agreement to amendments or supplements to the ML&Co. Registration Statement, any ML&Co. preliminary prospectus or the ML&Co. Prospectus shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the "1934 Act"), which is incorporated by reference in the ML&Co. Registration Statement, such ML&Co. preliminary prospectus or the ML&Co. Prospectus, as the case may be.

IMC has filed with the Commission a registration statement on Form S-3 (No. 333-) covering the registration of the shares of IMC Common Stock deliverable at maturity of the Securities under the 1933 Act, including the related preliminary prospectus or prospectuses. Each prospectus used before such registration statement became effective is herein called an "IMC preliminary prospectus." Such registration statement, including the exhibits thereto, the schedules thereto, if any, and the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, at the time it became effective, is herein called the "IMC Registration Statement." Any registration statement filed by IMC pursuant to Rule 462(b) of the 1933 Act Regulations is herein referred to as the "IMC Rule 462(b) Registration Statement," and after such filing the term "IMC Registration Statement" shall include the IMC Rule 462(b) Registration Statement. The final prospectus, including the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, in the form first furnished to the Underwriter for use in connection with the offering of the Securities is herein called the "IMC Prospectus." For purposes of this Agreement, all references to the IMC Registration Statement, any IMC preliminary prospectus, the IMC Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to EDGAR.

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All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the IMC Registration Statement, any IMC preliminary prospectus or the IMC Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is incorporated by reference in the IMC Registration Statement, any IMC preliminary prospectus or the IMC Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the IMC Registration Statement, any IMC preliminary prospectus or the IMC Prospectus shall be deemed to mean and include the filing of any document under the 1934 Act which is incorporated by reference in the IMC Registration Statement, such IMC preliminary prospectus or the IMC Prospectus, as the case may be.

Prior to the closing under this Agreement, the Company, Merrill Lynch Mortgage Capital Inc., a wholly-owned subsidiary of the Company (the "ML&Co. Subsidiary"), and GVI will enter into a contract (the "Purchase Agreement"), pursuant to which GVI will be obligated to deliver to the ML&Co. Subsidiary, immediately prior to the maturity date of the Securities, the Maturity Consideration required by the Company to pay and discharge all of the Securities at maturity as described in the ML&Co. Prospectus, subject to GVI's right to require that the obligations thereunder be satisfied by a cash payment based on the value of such Maturity Consideration (the "Forward Purchase"). Under the Purchase Agreement, the Company has agreed to pay and discharge the STRYPES by delivering to the holders thereof at maturity the form of consideration that the ML&Co. Subsidiary receives from GVI.

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company. The Company represents and warrants to the Underwriter as of the date hereof, as of the Closing Time referred to in Section 2(c) hereof, and as of each Date of Delivery (if any) referred to in Section 2(b) hereof, and agrees with the Underwriter, as follows:

(i) Compliance with Registration Requirements. The Company meets the

requirements for use of Form S-3 under the 1933 Act. Each of the ML&Co. Registration Statement and any ML&Co. Rule 462(b) Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the ML&Co. Registration Statement or any ML&Co. Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times the ML&Co. Registration Statement, any ML&Co. Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), the ML&Co. Registration Statement, the ML&Co. Rule 462(b) Registration Statement and any amendments and supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the Trust Indenture Act of 1939, as amended (the "1939 Act"), and the

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rules and regulations of the Commission under the 1939 Act (the "1939 Act Regulations"), and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. Neither the ML&Co. Prospectus nor any amendments or supplements thereto, at the time the ML&Co. Prospectus or any such amendment or supplement was issued and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If Rule 434 is used, the Company will comply with the requirements of Rule 434. The representations and warranties in this subsection shall not apply to (A) statements in or omissions from the ML&Co. Registration Statement or ML&Co. Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Underwriter expressly for use in the ML&Co. Registration Statement or ML&Co. Prospectus or (B) that part of the ML&Co. Registration Statement that constitutes the Statement of Eligibility on Form T-1 (the "Form T-1") under the 1939 Act of the Trustee.

Each ML&Co. preliminary prospectus and the prospectus relating to the offering of the Securities filed as part of the ML&Co. Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations and, if applicable, each ML&Co. preliminary prospectus and the ML&Co. Prospectus delivered to the Underwriter for use in connection with this offering was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Incorporated Documents. The documents incorporated or deemed to

be incorporated by reference in the ML&Co. Registration Statement and the ML&Co. Prospectus, when they became effective or at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations or the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), as applicable, and, when read together with the other information in the ML&Co. Prospectus, at the time the ML&Co. Registration Statement became effective, at the time the ML&Co. Prospectus was issued and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(iii) Independent Accountants. The accountants who certified the

financial statements and supporting schedules included in the ML&Co. Registration Statement are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

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(iv) Financial Statements. The financial statements included in the

ML&Co. Registration Statement and the ML&Co. Prospectus, together with the related schedules and notes, present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, included in the ML&Co. Registration Statement present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the ML&Co. Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the ML&Co. Registration Statement.

(v) No Material Adverse Change in Business. Since the respective

dates as of which information is given in the ML&Co. Registration Statement and the ML&Co. Prospectus, except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) except for regular quarterly dividends on its outstanding common stock and regular dividends on its outstanding preferred stock in amounts per share that are consistent with past practice, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(vi) Good Standing of the Company. The Company has been duly

organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the ML&Co. Prospectus and to enter into and perform its obligations under this Agreement, the Indenture and the Purchase Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(vii) Good Standing of Subsidiaries. Each subsidiary of the Company

which is a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X under the 1933 Act (each a "Subsidiary" and, collectively, the "Subsidiaries") has been duly organized and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the ML&Co. Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in each

jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the ML&Co. Registration Statement, all of the issued and outstanding capital stock of each such Subsidiary has been duly authorized and validly issued and is fully paid and non-assessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; and none of the outstanding shares of capital stock of any Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only subsidiaries of the Company are (A) the subsidiaries listed in Exhibit 21 to the Annual Report on Form 10-K of the Company filed with the Commission under Section 13 of the 1934 Act for the fiscal year ended December 29, 1995 and (B) certain other subsidiaries which, considered in the aggregate as a single subsidiary, do not constitute a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X under the 1933 Act.

(viii) Authorization of Agreement. This Agreement has been duly

authorized, executed and delivered by the Company.

(ix) Authorization of the Indenture. The Indenture has been duly

authorized by the Company, duly qualified under the 1939 Act and duly executed and delivered by the Company and (assuming the due authorization, execution and delivery by the Trustee) will constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(x) Authorization of the Securities. The Securities have been duly

authorized by the Company for issuance and sale to the Underwriter pursuant to this Agreement and, at the Closing Time, will have been duly executed by the Company and, when authenticated by the Trustee in the manner provided for in the Indenture and delivered against payment of the purchase price therefor as provided in this Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and will be in the form contemplated by, and entitled to the benefits of, the Indenture.

(xi) Authorization of the Purchase Agreement. The Purchase Agreement

has been duly authorized by the Company and the ML&Co. Subsidiary and, at the Closing

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Time, will have been duly executed and delivered by the Company and the ML&Co. Subsidiary and (assuming the due authorization, execution and delivery by GVI) will constitute a valid and binding agreement of the Company and the ML&Co. Subsidiary, enforceable against the Company and the ML&Co. Subsidiary in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(xii) Description of Securities, Indenture and Purchase Agreement.

The Securities, the Indenture and the Purchase Agreement will conform in all material respects to the respective statements relating thereto contained in the ML&Co. Prospectus and will be in substantially the respective forms filed or incorporated by reference, as the case may be, as exhibits to the ML&Co. Registration Statement.

(xiii) Absence of Defaults and Conflicts. Neither the Company nor

any of its subsidiaries is in violation of its charter or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any subsidiary is subject (collectively, "Agreements and Instruments") except for such defaults that would not result in a Material Adverse Effect; and (A) the execution, delivery and performance by the Company of this Agreement, the Indenture, the Securities and the Purchase Agreement and the consummation of the transactions contemplated herein, therein and in the ML&Co. Registration Statement (including the issuance and sale of the Securities and the delivery of shares of IMC Common Stock pursuant thereto, the consummation of the Forward Purchase and the use of the proceeds from the sale of the Securities as described in the ML&Co. Prospectus under the caption "Supplemental Use of Proceeds") and compliance by the Company with its obligations hereunder and under the Indenture, the Securities and the Purchase Agreement and (B) the execution, delivery and performance by the ML&Co. Subsidiary of the Purchase Agreement and the consummation of the transactions contemplated therein and compliance by the ML&Co. Subsidiary with its obligations under the Purchase Agreement have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts,

breaches or defaults or liens, charges or encumbrances that would not result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any subsidiary or, to the best of the Company's knowledge, any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or

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any subsidiary or any of their assets, properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness of the Company or any subsidiary (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any subsidiary.

(xiv) Absence of Labor Dispute. No labor dispute with the employees

of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent which may reasonably be expected to result in a Material Adverse Effect.

(xv) Absence of Proceedings. There is no action, suit, proceeding,

inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any subsidiary, which is required to be disclosed in the ML&Co. Registration Statement (other than as disclosed therein), or which might, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, or which might, individually or in the aggregate, reasonably be expected to materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated in this Agreement, the Indenture or the Purchase Agreement (including the issuance and sale of the Securities and the delivery of shares of IMC Common Stock pursuant thereto and the consummation of the Forward Purchase) or the performance by the Company of its obligations hereunder or thereunder or the performance by the ML&Co. Subsidiary of its obligations under the Purchase Agreement; the aggregate of all pending legal or governmental proceedings to which the Company or any subsidiary is a party or of which any of their respective property or assets is the subject which are not described in the ML&Co. Registration Statement, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xvi) Exhibits. There are no contracts or documents which are of a

character required to be described in the ML&Co. Registration Statement, the ML&Co. Prospectus or the documents incorporated by reference therein or to be filed as exhibits thereto which have not been so described or filed as required.

(xvii) Possession of Intellectual Property. The Company and its

subsidiaries own or possess, or can acquire on reasonable terms, adequate trademarks, service marks, trade names and other intellectual property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

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(xviii) Absence of Further Requirements. No filing with, or

authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required (A) for the performance by the Company of its obligations under this Agreement or the Purchase Agreement or the consummation by the Company of the transactions contemplated herein or therein (including the issuance and sale of the Securities and the delivery of shares of IMC Common Stock pursuant thereto and the consummation of the Forward Purchase) or for the due execution, delivery or performance of the Indenture by the Company or (B) for the performance by the ML&Co. Subsidiary of its obligations under the Purchase Agreement or the consummation by the ML&Co. Subsidiary of the transactions contemplated therein, except such as have been already obtained or as may be required under the 1933 Act or the 1933 Act Regulations or state securities laws and

except for the qualification of the Indenture under the 1939 Act.

(xix) Possession of Licenses and Permits. The Company and the

subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them; the Company and its subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, have a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not have a Material Adverse Effect; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xx) Title to Property. The Company and its subsidiaries have good

and marketable title to all real property owned by the Company and its subsidiaries and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (A) are described in the ML&Co. Prospectus or (B) do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the ML&Co. Prospectus, are in full force and effect, and neither the Company nor any subsidiary has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

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(xxi) Compliance with Cuba Act. The Company has complied with, and

is and will be in compliance with, the provisions of that certain Florida act relating to disclosure of doing business with Cuba, codified as Section 517.075 of the Florida statutes, and the rules and regulation thereunder (collectively, the "Cuba Act") or is exempt therefrom.

(b) Representations and Warranties by GVI. GVI represents and warrants to each of the Company and the Underwriter as of the date hereof, as of the Closing Time referred to in Section 2(c) hereof, and as of each Date of Delivery (if any) referred to in Section 2(b) hereof, and agrees with each of the Company and the Underwriter, as follows:

(i) Good Standing of GVI. GVI has been duly organized and is validly

existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to enter into and perform its obligations under this Agreement and the Purchase Agreement.

(ii) Delivery of IMC Common Stock. At the date hereof, GVI is the

sole registered owner of and has all rights in and to at least 6,510,268 shares of IMC Common Stock, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity (except for the security interest created under or pursuant to [describe existing bridge loan], which will have been released at the Closing Time, and such as may be created under or pursuant to that certain [describe new loan agreement]). If immediately prior to maturity of the Securities GVI delivers to the Company shares of IMC Common Stock pursuant to the Purchase Agreement, upon delivery by GVI to the ML&Co. Subsidiary of such shares of IMC Common Stock pursuant to the Purchase Agreement, the ML&Co. Subsidiary will be the sole registered owner of the shares of IMC Common Stock so delivered and, assuming the ML&Co. Subsidiary purchased for value in good faith and without notice of any adverse claim, the ML&Co. Subsidiary will have acquired all rights in and to such shares of IMC Common Stock, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity. The delivery of shares of IMC Common Stock to the ML&Co. Subsidiary at maturity of the Securities in accordance with the Purchase Agreement is not, and at the time of delivery of such shares will not be, subject to any right of first refusal or similar rights of any person pursuant to any contract to which GVI or any of its subsidiaries is a party or by which any of them is bound.

(iii) Authorization of Agreement. This Agreement has been duly

authorized, executed and delivered by GVI.

(iv) Authorization of the Purchase Agreement. The Purchase Agreement

has been duly authorized by GVI and, at the Closing Time, will have been
duly executed and delivered by GVI and (assuming the due authorization,
execution and delivery by the Company and the ML&Co. Subsidiary) will
constitute a valid and binding agreement of GVI, enforceable against GVI in
accordance with its terms, except as the enforcement thereof may be limited
by bankruptcy, insolvency (including, without limitation, all laws relating
to fraudulent transfers), reorganization, moratorium or similar laws
affecting enforcement of creditors' rights generally and except as
enforcement thereof is subject

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to general principles of equity (regardless of whether enforcement is
considered in a proceeding in equity or at law). Amounts received by GVI
at Closing Time and at each Date of Delivery, if any, pursuant to the
Purchase Agreement will not be used by GVI for the purpose, whether
immediate, incidental or ultimate, of buying or carrying a margin stock, as
such terms are defined in Regulation G promulgated by the Board of
Governors of the Federal Reserve System.

(v) Absence of Defaults and Conflicts. The execution, delivery and

performance by GVI of this Agreement and the Purchase Agreement and the
consummation by GVI of the transactions contemplated herein and therein and
compliance by GVI with its obligations hereunder and thereunder have been
duly authorized by all necessary corporate action and do not and will not,
whether with or without the giving of notice or passage of time or both,
conflict with or constitute a breach of, or default or GVI Repayment Event
(as defined below) under, or result in the creation or imposition of any
lien, charge or encumbrance upon any property or assets of GVI or any of
its subsidiaries pursuant to, any contract, indenture, mortgage, deed of
trust, loan or credit agreement, note, lease or any other agreement or
instrument to which GVI or any of its subsidiaries is a party or by which
it or any of them may be bound, or to which any of the property or assets
of GVI or any of its subsidiaries is subject (except for such conflicts,
breaches or defaults or liens, charges or encumbrances that would not,
singly or in the aggregate, materially and adversely affect the ability of
GVI to perform its obligations under this Agreement or the Purchase
Agreement), nor will such action result in any violation of the provisions
of the charter or by-laws of GVI or any of its subsidiaries, or any
applicable law, statute, rule or regulation of any government or government
instrumentality having jurisdiction over GVI or any of its subsidiaries or
any of their assets, properties or operations (other than any state
securities or "blue sky" law, statute, rule or regulation, as to which no
representation and warranty is made), or any applicable judgment, order,
writ or decree of any government, government instrumentality or domestic
court having jurisdiction over GVI or any of its subsidiaries or any of
their assets, properties or operations (except in all cases for such
violations that would not, singly or in the aggregate, materially and
adversely affect the ability of GVI to perform its obligations under this
Agreement or the Purchase Agreement). As used herein, a "GVI Repayment
Event" means any event or condition which gives the holder of any note,
debenture or other evidence of indebtedness (or any person acting on such
holder's behalf) the right to require the repurchase, redemption or
repayment of all or a portion of such indebtedness by GVI or any of its
subsidiaries.

(vi) Absence of Further Requirements. No filing with, or

authorization, approval, consent, license, order, registration,
qualification or decree of, any court or governmental authority or agency
is necessary or required for the execution, delivery or performance by GVI
of this Agreement or the Purchase Agreement or the consummation by GVI of
the transactions contemplated by this Agreement or the Purchase Agreement,
except such as have been already obtained or as may be required under the
1933 Act or the 1933 Act Regulations or state securities laws.

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(vii) IMC Registration Statement and Prospectus. The IMC

Registration Statement, any IMC Rule 462(b) Registration Statement or any
post-effective amendments thereto, at the respective times the IMC
Registration Statement, any IMC Rule 462(b) Registration Statement or any
post-effective amendments thereto became effective, did not contain an
untrue statement of a material fact or omit to state a material fact
required to be stated therein or necessary to make the statements therein
not misleading. The IMC Prospectus or any amendment or supplement thereto,
at the time the IMC Prospectus was issued, at the time any such amended or

supplemented prospectus was issued or at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), did not and will not include an untrue statement of a material fact and did not and will not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties in this subsection shall apply only to statements in or omissions from the IMC Registration Statement (or any amendment thereto) or IMC Prospectus (or any amendment or supplement thereto) made in reliance upon and in conformity with information furnished to IMC in writing by GVI expressly for use in the IMC Registration Statement (or any amendment thereto) or IMC Prospectus (or any amendment or supplement thereto).

(c) Officer's Certificates. Any certificate signed by any officer of the Company or any of its subsidiaries delivered to the Underwriter shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby. Any certificate signed by any officer of GVI or any of its subsidiaries delivered to the Underwriter or the Company shall be deemed a representation and warranty by GVI to the Underwriter or the Company, as the case may be, as to the matters covered thereby.

SECTION 2. Sale and Delivery to Underwriter; Closing.

(a) Initial Securities. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriter, and the Underwriter agrees to purchase from the Company, at the price per STRYPES set forth in Schedule A, the Initial Securities.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriter to purchase up to an additional 849,167 STRYPES at the price per STRYPES set forth in Schedule A. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by the Underwriter to the Company setting forth the number of Option Securities as to which the Underwriter is then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Underwriter, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time, as hereinafter defined.

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(c) Payment. Payment of the purchase price for, and delivery of certificates for, the Initial Securities shall be made at the offices of Brown & Wood, One World Trade Center, New York, New York 10048, or at such other place as shall be agreed upon by the Underwriter and the Company, at 10:00 A.M. (Eastern time) on the third (fourth, if the pricing occurs after 4:30 P.M. (Eastern time) on any given day) business day after the date hereof, or such other time not later than ten business days after such date as shall be agreed upon by the Underwriter and the Company (such time and date of payment and delivery being herein called "Closing Time"). In addition, in the event that any or all of the Option Securities are purchased by the Underwriter, payment of the purchase price for, and delivery of certificates for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Underwriter and the Company, on each Date of Delivery as specified in the notice from the Underwriter to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Underwriter of certificates for the Securities to be purchased by it.

(d) Denominations; Registration. Certificates for the Initial Securities and the Option Securities, if any, shall be in such denominations and registered in such names as the Underwriter may request in writing at least one full business day before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates for the Initial Securities and the Option Securities, if any, will be made available for examination and packaging by the Underwriter in The City of New York not later than 10:00 A.M. (Eastern time) on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

SECTION 3. Covenants.

(a) Covenants of the Company. The Company covenants with the Underwriter as follows:

(i) Compliance with Securities Regulations and Commission Requests. The Company, subject to Section 3(a)(ii), will comply with the requirements of Rule 430A or Rule 434, as applicable, and will notify the Underwriter

immediately, and confirm the notice in writing, (A) when any post-effective amendment to the ML&Co. Registration Statement shall become effective, or any supplement to the ML&Co. Prospectus or any amended ML&Co. Prospectus shall have been filed, (B) of the receipt of any comments from the Commission, (C) of any request by the Commission for any amendment to the ML&Co. Registration Statement or any amendment or supplement to the ML&Co. Prospectus or for additional information, and (D) of the issuance by the Commission of any stop order suspending the effectiveness of the ML&Co. Registration Statement or of any order preventing or suspending the use of any ML&Co. preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings necessary pursuant to Rule 424(b) and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the

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Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(ii) Filing of Amendments. The Company will give the Underwriter notice of its intention to file or prepare any amendment to the ML&Co. Registration Statement (including any filing under Rule 462(b)), any ML&Co. Term Sheet or any amendment, supplement or revision to either the prospectus relating to the offering of the Securities included in the ML&Co. Registration Statement at the time it became effective or to the ML&Co. Prospectus, whether pursuant to the 1933 Act, the 1934 Act or otherwise, will furnish the Underwriter with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the Underwriter or counsel for the Underwriter shall reasonably object.

(iii) Delivery of ML&Co. Registration Statements. The Company has furnished or will deliver to the Underwriter, without charge, signed copies of the ML&Co. Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and signed copies of all consents and certificates of experts. If applicable, the copies of the ML&Co. Registration Statement and each amendment thereto furnished to the Underwriter will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(iv) Delivery of ML&Co. Prospectuses. The Company has delivered to the Underwriter, without charge, as many copies of each ML&Co. preliminary prospectus as the Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to the Underwriter, without charge, during the period when the ML&Co. Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the ML&Co. Prospectus (as amended or supplemented) as the Underwriter may reasonably request. If applicable, the ML&Co. Prospectus and any amendments or supplements thereto furnished to the Underwriter will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(v) Continued Compliance with Securities Laws. The Company will comply with the 1933 Act and the 1933 Act Regulations and the 1934 Act and the 1934 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the ML&Co. Prospectus. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriter or for the Company, to amend the ML&Co. Registration Statement or amend or supplement the ML&Co. Prospectus

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in order that the ML&Co. Prospectus will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of either such counsel, at any such time to amend the ML&Co. Registration Statement or amend or supplement the ML&Co. Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 3(a)(ii), such amendment or supplement as may be necessary to correct such statement or omission or to make the ML&Co. Registration Statement or the ML&Co. Prospectus comply with such requirements, and the Company will furnish to the Underwriter such number of copies of such amendment or supplement as the Underwriter may

reasonably request.

(vi) Blue Sky Qualifications. The Company will use its best efforts, in cooperation with the Underwriter, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Underwriter may designate and to maintain such qualifications in effect for a period of not less than one year from the later of the effective date of the ML&Co. Registration Statement and any ML&Co. Rule 462(b) Registration Statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In each jurisdiction in which the Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the effective date of the ML&Co. Registration Statement and any ML&Co. Rule 462(b) Registration Statement.

(vii) Rule 158. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(viii) Use of Proceeds. The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the ML&Co. Prospectus under "Supplemental Use of Proceeds."

(ix) Listing. The Company will use its best efforts to effect the listing of the Securities on the New York Stock Exchange.

(x) Reporting Requirements. The Company, during the period when the ML&Co. Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

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(b) Covenants of GVI.

(i) Restriction on Sale of Securities. During a period of 90 days

from the date of the IMC Prospectus, GVI will not, without the prior written consent of the Underwriter, (x) offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of IMC Common Stock, securities convertible into, exchangeable for or repayable with shares of IMC Common Stock, or rights or warrants to acquire shares of IMC Common Stock, or (y) cause to be filed any registration statement under the 1933 Act with respect to any shares of IMC Common Stock, securities convertible into, exchangeable for or repayable with shares of IMC Common Stock, or rights or warrants to acquire shares of IMC Common Stock. The foregoing sentence shall not apply to the execution and delivery by GVI of the Purchase Agreement or the consummation by GVI of the transactions contemplated therein.

(ii) Purpose Statement. At or prior to Closing Time, GVI will deliver

to the ML&Co. Subsidiary a duly executed purpose statement on Form F. R. G-3 of the Board of Governors of the Federal Reserve System.

SECTION 4. Payment of Expenses. (a) Expenses Payable by the Company.

The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the ML&Co. Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the preparation, printing and delivery to the Underwriter of this Agreement, the Indenture, the Purchase Agreement and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of the certificates for the Securities to the Underwriter, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(a)(vi) hereof, including filing fees and the reasonable fees and disbursements of the Company's counsel in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (vi) the printing and delivery to the Underwriter of copies of each ML&Co. preliminary prospectus, any ML&Co. Term Sheets and of the ML&Co. Prospectus and any amendments or supplements thereto, (vii) the preparation, printing and delivery to the Underwriter of copies of the Blue Sky Survey and any supplement thereto, (viii) the fees and expenses of the Trustee, including the fees and disbursements of counsel for the Trustee in connection with the Indenture and the Securities, (ix) any fees payable in

connection with the rating of the Securities, (x) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriter in connection with, the review by the National Association of Securities Dealers, Inc. (the "NASD") of the terms of the sale of the Securities and (xi) the fees and expenses incurred in connection with the listing of the Securities on the New York Stock Exchange.

(b) Expenses Payable by GVI. GVI will pay all expenses incident to the performance of its obligations under this Agreement, including the fees and disbursements of its counsel and advisors.

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(c) Termination of Agreement. If this Agreement is terminated by the Underwriter in accordance with the provisions of Section 5 or Section 9(a)(i) hereof, the Company shall reimburse the Underwriter for all of its out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriter.

SECTION 5. Conditions.

(a) Conditions of Underwriter's Obligations. The obligations of the Underwriter hereunder are subject to the accuracy of the representations and warranties of the Company and GVI contained in Sections 1(a) and 1(b) hereof, respectively, to the accuracy of the representations and warranties of IMC contained in the Registration Agreement, to the accuracy of the statements in certificates of any officer of the Company, IMC or GVI delivered pursuant to the provisions hereof, to the performance by the Company and GVI of their respective covenants and other obligations hereunder, to the performance by IMC of its covenants and other obligations under the Registration Agreement, and to the following further conditions:

(1) Effectiveness of ML&Co. Registration Statement. The ML&Co. Registration Statement, including any ML&Co. Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the ML&Co. Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriter. A prospectus containing the Rule 430A Information shall have been filed with the Commission in accordance with Rule 424(b) (or a post-effective amendment providing such information shall have been filed and declared effective in accordance with the requirements of Rule 430A) or, if the Company has elected to rely upon Rule 434, an ML&Co. Term Sheet shall have been filed with the Commission in accordance with Rule 424(b).

(2) Effectiveness of IMC Registration Statement. The IMC Registration Statement, including any IMC Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the IMC Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriter.

(3) Opinion of Counsel for the Company. At Closing Time, the Underwriter shall have received the favorable opinion, dated as of Closing Time, of Brown & Wood, counsel for the Company, in form and substance satisfactory to the Underwriter, to the effect set forth in Exhibit A hereto and to such further effect as the Underwriter may reasonably request.

(4) Opinion of Counsel for IMC. At Closing Time, the Underwriter shall have received the favorable opinion, dated as of Closing Time, of Sidley & Austin, counsel for IMC, in form and substance satisfactory to the Underwriter, to the effect set

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forth in Exhibit B hereto and to such further effect as the Underwriter may reasonably request.

(5) Opinion of Counsel for GVI. At Closing Time, the Underwriter shall have received the favorable opinion, dated as of Closing Time, of Rosenberg & Liebentritt, P.C., counsel for GVI, in form and substance satisfactory to the Underwriter, to the effect set forth in Exhibit C hereto and to such further effect as the Underwriter may reasonably request.

(6) Company Officers' Certificate. At Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the ML&Co. Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business

affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Underwriter shall have received a certificate of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time, and (iv) no stop order suspending the effectiveness of the ML&Co. Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or are contemplated by the Commission.

(7) IMC Officers' Certificate. At Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the IMC Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of IMC and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Underwriter shall have received a certificate of the President or a Vice President of IMC and of the chief financial or chief accounting officer of IMC, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of IMC contained in Section 1(a) of the Registration Agreement are true and correct with the same force and effect as though expressly made at and as of Closing Time, (iii) IMC has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time pursuant to the Registration Agreement, and (iv) no stop order suspending the effectiveness of the IMC Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the best of their knowledge, are pending or are contemplated by the Commission.

(8) GVI Officer's Certificate. At Closing Time, the Underwriter shall have received a certificate of the President or a Vice President of GVI, dated as of Closing Time, to the effect that (i) the representations and warranties of GVI contained in Section 1(b) hereof are true and correct with the same force and effect as though expressly made

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at and as of Closing Time and (ii) GVI has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(9) Company Accountant's Comfort Letter. At the time of the execution of this Agreement, the Underwriter shall have received from Deloitte & Touche LLP a letter dated such date, in form and substance satisfactory to the Underwriter, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the ML&Co. Registration Statement and the ML&Co. Prospectus.

(10) IMC Accountant's Comfort Letter. At the time of the execution of this Agreement, the Underwriter shall have received from each of Ernst & Young LLP and Arthur Andersen LLP a letter dated such date, in form and substance satisfactory to the Underwriter, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the IMC Registration Statement and the IMC Prospectus.

(11) Company Bring-down Comfort Letter. At Closing Time, the Underwriter shall have received from Deloitte & Touche LLP a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished by them pursuant to Section 5(a)(9) hereof, except that the "specified date" referred to shall be a date not more than three business days prior to Closing Time.

(12) IMC Bring-down Comfort Letter. At Closing Time, the Underwriter shall have received from Ernst & Young LLP a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished by them pursuant to Section 5(a)(10) hereof, except that the "specified date" referred to shall be a date not more than three business days prior to Closing Time.

(13) Maintenance of Rating. Since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to any of the Company's securities by any "nationally recognized statistical rating agency," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the 1933 Act, and no such organization shall have publicly announced that it has under surveillance or review its rating of any of the Company's securities.

(14) Approval of Listing. At Closing Time, the Securities shall have been approved for listing on the New York Stock Exchange, subject only to official notice of issuance.

(15) No Objection. The NASD shall not have raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements.

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(16) Lock-up Agreements. At the date of this Agreement, the Underwriter shall have received an agreement substantially in the form of Exhibit D hereto signed by each of the persons and entities listed on Schedule B hereto.

(17) Conditions to Purchase of Option Securities. In the event that the Underwriter exercises its option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company and GVI contained herein, the representations and warranties of IMC contained in the Registration Agreement and the statements in any certificates furnished by the Company, IMC or GVI hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Underwriter shall have received:

(A) Company Officers' Certificate. A certificate, dated such Date of

Delivery, of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company confirming that the certificate delivered at Closing Time pursuant to Section 5(a)(6) hereof is true and correct as of such Date of Delivery.

(B) IMC Officers' Certificate. A certificate, dated such Date of

Delivery, of the President or a Vice President of IMC and of the chief financial or chief accounting officer of IMC confirming that the certificate delivered at Closing Time pursuant to Section 5(a)(7) hereof is true and correct as of such Date of Delivery.

(C) GVI Officers' Certificate. A certificate, dated such Date of

Delivery, of the President or a Vice President of GVI confirming that the certificate delivered at Closing Time pursuant to Section 5(a)(8) hereof is true and correct as of such Date of Delivery.

(D) Opinion of Counsel for the Company. The favorable opinion of

Brown & Wood, counsel for the Company, in form and substance satisfactory to the Underwriter, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(a)(3) hereof.

(E) Opinion of Counsel for IMC. The favorable opinion of Sidley &

Austin, counsel for IMC, in form and substance satisfactory to the Underwriter, dated such Date of Delivery, to the same effect as the opinion required by Section 5(a)(4) hereof.

(F) Opinion of Counsel for GVI. The favorable opinion of Rosenberg &

Liebentritt, P.C., counsel for GVI, in form and substance satisfactory to the Underwriter, dated such Date of Delivery, to the same effect as the opinion required by Section 5(a)(5) hereof.

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(G) Company Bring-down Comfort Letter. A letter from Deloitte &

Touche LLP, in form and substance satisfactory to the Underwriter and dated such Date of Delivery, substantially the same in form and substance as the letter furnished to the Underwriter pursuant to Section 5(a)(11) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than five days prior to such Date of Delivery.

(H) IMC Bring-down Comfort Letter. A Letter from Ernst & Young LLP,

in form and substance satisfactory to the Underwriter and dated such Date of Delivery, substantially the same in form and substance as the letter furnished to the Underwriter pursuant to Section 5(a)(12) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than five days prior to such Date of Delivery.

(18) Additional Documents. At Closing Time and at each Date of Delivery, counsel for the Underwriter shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, contained herein or in the Registration Agreement; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Underwriter and counsel for the Underwriter.

(b) Conditions of the Company's Obligations. The obligations of the Company hereunder are subject to the accuracy of the representations and warranties of GVI contained in Section 1(b) hereof, to the accuracy of the representations and warranties of IMC contained in the Registration Agreement, to the accuracy of the statements in certificates of any officer of IMC or GVI delivered pursuant to the provisions hereof, to the performance by GVI of its covenants and other obligations hereunder, to the performance by IMC of its covenants and other obligations under the Registration Agreement, and to the following further conditions:

(1) Effectiveness of IMC Registration Statement. The IMC Registration Statement, including any IMC Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the IMC Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Company.

(2) Opinion of Counsel for the Company. At Closing Time, the Company shall have received the favorable opinion, dated as of Closing Time, of Brown & Wood, counsel for the Company, to the same effect as the opinion required by Section 5(a)(3) hereof.

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(3) Opinion of Counsel for IMC. At Closing Time, the Company shall have received the favorable opinion, dated as of Closing Time, of Sidley & Austin, counsel for IMC, to the same effect as the opinion required by Section 5(a)(4) hereof.

(4) Opinion of Counsel for GVI. At Closing Time, the Company shall have received the favorable opinion, dated as of Closing Time, of Rosenberg & Liebenritt, P.C., counsel for IMC and GVI, to the same effect as the opinion required by Section 5(a)(5) hereof.

(5) IMC Officers' Certificate. At Closing Time, the Company shall have received a certificate of the President or a Vice President of IMC and of the chief financial or chief accounting officer of IMC, dated as of Closing Time, to the same effect as the certificate delivered to the Underwriter pursuant to Section 5(a)(7) hereof.

(6) GVI Officer's Certificate. At Closing Time, the Company shall have received a certificate of the President or a Vice President of GVI, dated as of Closing Time, to the same effect as the certificate delivered to the Underwriter pursuant to Section 5(a)(8) hereof.

(7) IMC Accountant's Comfort Letters. At the time of the execution of this Agreement, the Company shall have received from each of Ernst & Young LLP and Arthur Andersen LLP a letter dated such date, in form and substance satisfactory to the Company, substantially the same in form and substance as the letter delivered to the Underwriter pursuant to Section 5(a)(10) hereof.

(8) IMC Bring-down Comfort Letter. At Closing Time, the Company shall have received from Ernst & Young LLP a letter, dated as of Closing Time, in form and substance satisfactory to the Company, substantially the same in form and substance as the letter delivered to the Underwriter pursuant to Section 5(a)(12) hereof.

(9) Conditions to Sale of Option Securities. In the event that the Underwriter exercises its option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of GVI contained herein, the representations and warranties of IMC contained in the Registration Agreement and the statements in any certificates furnished by IMC or GVI hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Company shall have received:

(A) IMC Officers' Certificate. A certificate, dated such Date of

Delivery, of the President or a Vice President of IMC and of the chief financial or chief accounting officer of IMC confirming that the

certificate delivered at Closing Time pursuant to Section 5(b) (5) hereof is true and correct as of such Date of Delivery.

(B) GVI Officers' Certificate. A certificate, dated such Date of _____ Delivery, of the President or a Vice President of GVI confirming that the certificate delivered at

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Closing Time pursuant to Section 5(b) (6) hereof is true and correct as of such Date of Delivery.

(C) Opinion of Counsel for the Company. The favorable opinion, dated _____ such Date of Delivery, of Brown & Wood, counsel for the Company, to the same effect as the opinion required by Section 5(a) (17) (D) hereof.

(D) Opinion of Counsel for IMC. The favorable opinion, dated such _____ Date of Delivery, of Sidley & Austin, counsel for IMC, to the same effect as the opinion required by Section 5(a) (17) (E) hereof.

(E) Opinion of Counsel for GVI. The favorable opinion, dated such _____ Date of Delivery, of Rosenberg & Liebenritt, P.C., counsel for GVI, to the same effect as the opinion required by Section 5(a) (17) (F) hereof.

(F) IMC Bring-down Comfort Letter. A Letter from Ernst & Young LLP, _____ in form and substance satisfactory to the Company and dated such Date of Delivery, substantially the same in form and substance as the letter furnished to the Underwriter pursuant to Section 5(a) (17) (H) hereof.

(c) Termination of Agreement. If any condition specified in subsection (a) of this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the Underwriter to purchase the relevant Option Securities, may be terminated by the Underwriter by notice to the Company and GVI at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect. If any condition specified in subsection (b) of this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the sale of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the Company to sell the relevant Option Securities, may be terminated by the Company by notice to the Underwriter and GVI at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) Indemnification of the Underwriter by the Company. The Company agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material

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fact contained in the ML&Co. Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any ML&Co. preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim

whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, referred to under (i) above; provided that (subject to Section 6(e) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Underwriter), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, referred to under (i) above, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the ML&Co. Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any ML&Co. preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto).

Insofar as this indemnity agreement may permit indemnification for liabilities under the 1933 Act of any person who controls an underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and who, at the date of this Agreement, is a director or officer of the Company or controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, such indemnity agreement is subject to the undertaking of the Company in the ML&Co. Registration Statement under Item 17 thereof.

(b) Indemnification of the Underwriter and the Company by GVI. GVI agrees to indemnify and hold harmless (1) the Underwriter and each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and (2) the Company and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, as follows:

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(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the IMC Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any IMC preliminary prospectus or the IMC Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, referred to under (i) above; provided that (subject to Section 6(e) below) any such settlement is effected with the written consent of GVI; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Underwriter or the Company, as the case may be), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, referred to under (i) above, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall apply only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the IMC Registration Statement (or any amendment thereto) or any IMC preliminary prospectus or the IMC Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to IMC by GVI expressly for use in the IMC Registration Statement (or any amendment thereto) or any IMC preliminary prospectus or the IMC Prospectus (or any amendment or supplement thereto).

(c) Indemnification of the Company, Directors and Officers. The Underwriter agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the ML&Co. Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a)

of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the ML&Co. Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any ML&Co. preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the ML&Co. Registration Statement (or any

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amendment thereto) or such ML&Co. preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto).

(d) Actions against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) or clause (1) of Section 6(b) above, counsel to the indemnified parties shall be selected by the Underwriter, and, in the case of parties indemnified pursuant to clause (2) of Section 6(b) or Section 6(c) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(e) Settlement without Consent if Failure to Reimburse. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) and 6(b)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

SECTION 7. Contribution.

(a) If the indemnification provided for in Sections 6(a) and 6(c) is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then the Company and the Underwriter shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the

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Underwriter on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Underwriter on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriter on the other hand in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the total underwriting discount received by the Underwriter, in each case as set forth on the cover of the ML&Co. Prospectus, or, if Rule 434 is used, the corresponding location on the ML&Co. Term Sheet, bear to the aggregate initial public offering price of the Securities as set forth on such cover. The

relative fault of the Company on the one hand and the Underwriter on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

Notwithstanding the provisions of this Section 7(a), the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which the Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

The Company and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Section 7(a) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7(a). The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7(a) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7(a), each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Underwriter, and each director of the Company, each officer of the Company who signed the ML&Co. Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

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(b) If the indemnification provided for in Section 6(b) hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then GVI on the one hand and the Underwriter and the Company on the other hand shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by GVI on the one hand and by the Underwriter and the Company on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of GVI on the one hand and of the Underwriter and the Company on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations. The relative benefits received from the offering of the Securities pursuant to this Agreement shall be deemed to be such that the Underwriter and the Company shall be responsible for that portion of the aggregate amount of such losses, liabilities, claims, damages and expenses represented by the percentage that the total underwriting discount received by the Underwriter, as set forth on the cover of the ML&Co. Prospectus, or, if Rule 434 is used, the corresponding location on the ML&Co. Term Sheet, bears to the aggregate initial public offering price of the Securities as set forth on such cover and GVI shall be responsible for the balance. The relative fault of GVI on the one hand and the Underwriter and the Company on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by GVI on the one hand or by the Underwriter or the Company on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

Notwithstanding the provisions of this Section 7(b), the Underwriter and the Company shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by the Underwriter and distributed to the public were offered to the public exceeds the amount of any damages which the Underwriter and the Company have otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

GVI, the Underwriter and the Company agree that it would not be just and equitable if contribution pursuant to this Section 7(b) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7(b). The aggregate amount of losses, liabilities, claims, damages and expenses incurred

by an indemnified party and referred to above in this Section 7(b) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

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For purposes of this Section 7(b), each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Underwriter, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

SECTION 8. Representations, Warranties and Agreements to Survive Delivery.

All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company, IMC or GVI submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter or controlling person, or by or on behalf of the Company or GVI, and shall survive delivery of the Securities to the Underwriter.

SECTION 9. Termination of Agreement.

(a) Termination; General. The Underwriter may terminate this Agreement, by notice to the Company and GVI, at any time at or prior to Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the ML&Co. Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has been, since the time of execution of this Agreement, or since the respective dates as of which information is given in the IMC Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of IMC and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (iii) if there has occurred any material adverse change in the financial markets in the United States, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Underwriter, impracticable to market the Securities or to enforce contracts for the sale of the Securities, or (iv) if trading in any securities of the Company or in the IMC Common Stock has been suspended or limited by the Commission or the New York Stock Exchange, or if trading generally on the American Stock Exchange or the New York Stock Exchange or in the Nasdaq National Market has been suspended or limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the NASD or any other governmental authority, or (v) if a banking moratorium has been declared by either federal or New York authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7 and 8 shall survive such termination and remain in full force and effect.

SECTION 10. Notices. All notices and other communications hereunder shall

be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard

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form of telecommunication. Notices to the Underwriter shall be directed to it at Sears Tower Building, Suite 5500, Chicago, Illinois 60606, attention of Todd Kaplan, Director; notices to the Company shall be directed to it at 100 Church St., 12th Floor, New York, New York 10007, attention of the Secretary, with a copy to the Treasurer at World Financial Center, South Tower, New York, New York 10080-6105; and notices to GVI shall be directed to it at Two North Riverside Plaza, Suite 1100, Chicago, Illinois 60606, attention of Gus Athas.

SECTION 11. Parties. This Agreement shall each inure to the benefit of and

be binding upon each of the Underwriter, the Company and GVI and their respective successors. Nothing expressed or mentioned in this Agreement is

intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from the Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 12. GOVERNING LAW AND TIME. THIS AGREEMENT SHALL BE GOVERNED BY

AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED
TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 13. Effect of Headings. The Article and Section headings herein

and the Table of Contents are for convenience only and shall not affect the
construction hereof.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriter, the Company and GVI in accordance with its terms.

Very truly yours,

MERRILL LYNCH & CO., INC.

By _____
Name:
Title:

GVI HOLDINGS, INC.

By _____
Name:
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By _____
Authorized Signatory

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SCHEDULE A

MERRILL LYNCH & CO. INC

_____% STRYPES/SM/ DUE _____, 2001

1. The initial public offering price of the Securities shall be
\$_____ per STRYPES.

2. The purchase price for the Securities to be paid by the
Underwriter shall be \$_____ per STRYPES, being an amount equal to the
initial public offering price set forth above less \$_____ per STRYPES.

3. The "Threshold Appreciation Price" with respect to the Securities
shall be \$_____.

Sch A - 1

[SCHEDULE B]

[List of persons and entities subject to lock-up]

Sch B - 1

Exhibit A

FORM OF OPINION OF COMPANY'S COUNSEL
TO BE DELIVERED PURSUANT TO
SECTION 5(a) (3)

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware.

(ii) The Company has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the ML&Co. Prospectus and to enter into and perform its obligations under the Underwriting Agreement.

(iii) The Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(iv) Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the ML&Co. Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in the State of New York; all of the issued and outstanding capital stock of MLPF&S has been duly authorized and validly issued, is fully paid and non-assessable and, to the best of our knowledge, is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares of capital stock of MLPF&S was issued in violation of the preemptive or similar rights of any securityholder of MLPF&S.

(v) The Underwriting Agreement has been duly authorized, executed and delivered by the Company.

(vi) The Indenture has been duly authorized, executed and delivered by the Company and (assuming the due authorization, execution and delivery thereof by the Trustee) constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a

proceeding in equity or at law).

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(vii) The Securities are in the form contemplated by the Indenture, have been duly authorized by the Company and, assuming that the Securities have been duly authenticated by the Trustee in the manner described in its certificate delivered to you today (which fact such counsel need not determine by an inspection of the Securities), the Securities have been duly executed, issued and delivered by the Company and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and will be entitled to the benefits of the Indenture.

(viii) The Purchase Agreement has been duly authorized, executed and delivered by the Company and (assuming the due authorization, execution and delivery thereof by GVI) constitutes a valid and binding agreement of the Company and the ML&Co. Subsidiary, enforceable against the Company and the ML&Co. Subsidiary in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(ix) The Indenture has been duly qualified under the 1939 Act.

(x) The Securities, the Indenture and the Purchase Agreement conform in all material respects as to legal matters to the descriptions thereof contained in the ML&Co. Prospectus.

(xi) The ML&Co. Registration Statement, including any ML&Co. Rule 462(b) Registration Statement, has been declared effective under the 1933 Act; any required filing of the ML&Co. Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); and, to the best of our knowledge, no stop order suspending the effectiveness of the ML&Co. Registration Statement or any ML&Co. Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

(xii) The ML&Co. Registration Statement, including any ML&Co. Rule 462(b) Registration Statement, the Rule 430A Information and the Rule 434 Information, as applicable, the ML&Co. Prospectus, excluding the documents incorporated by reference therein, and each amendment or supplement to the ML&Co. Registration Statement and ML&Co. Prospectus, excluding the documents incorporated by reference therein, as of their respective effective or issue dates (other than the financial statements and supporting schedules included therein or omitted therefrom, and the Trustee's Statement of Eligibility on Form T-1 (the "Form T-1"), as to which we express no opinion) complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations.

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(xiii) The documents incorporated by reference in the ML&Co. Prospectus (other than the financial statements and supporting schedules included therein or omitted therefrom, as to which we express no opinion), when they became effective or were filed with the Commission, as the case may be, complied as to form in all material respects with the requirements of the 1933 Act or the 1934 Act, as applicable, and the rules and regulations of the Commission thereunder.

(xiv) The IMC Registration Statement, including any IMC Rule 462(b) Registration Statement, has been declared effective under the 1933 Act; any required filing of the IMC Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); and, to the best of our knowledge, no stop order suspending the effectiveness of the IMC Registration Statement or any IMC Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

(xv) The IMC Registration Statement, including any IMC Rule 462(b) Registration Statement, the IMC Prospectus, excluding the documents incorporated by reference therein, and each amendment or supplement to the IMC Registration Statement and IMC Prospectus, excluding the documents incorporated by reference therein, as of their respective effective or issue dates (other than the financial statements and supporting schedules included therein or omitted therefrom, as to which we express no opinion) complied as to form in all material respects with the requirements of the 1933 Act and the

(xvi) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign (other than under the 1933 Act and the 1933 Act Regulations, which have been obtained, or as may be required under the securities or blue sky laws of the various states and except for the qualification of the Indenture under the 1939 Act, as to which we express no opinion) is necessary or required in connection with the due authorization, execution and delivery of the Underwriting Agreement by the Company or the due execution, delivery or performance of the Indenture or the Purchase Agreement by the Company or for the offering, issuance, sale or delivery of the Securities or for the due execution, delivery or performance of the Purchase Agreement by the ML&Co. Subsidiary.

(xvii) The execution, delivery and performance of the Underwriting Agreement, the Indenture, the Securities and the Purchase Agreement and the consummation of the transactions contemplated in the Underwriting Agreement, the Purchase Agreement and in the ML&Co. Registration Statement (including the issuance and sale of the Securities and the delivery of shares of IMC Common Stock pursuant thereto, the consummation of the Forward Purchase and the use of the proceeds from the sale of the Securities as described in the ML&Co. Prospectus under the caption "Supplemental Use of Proceeds") and compliance by the Company with its obligations under the Underwriting Agreement, the Indenture, the Securities and the Purchase Agreement and (B) the execution, delivery and performance by the ML&Co. Subsidiary of the Purchase Agreement and the consummation by the ML&Co. Subsidiary of the transactions contemplated therein and compliance by the ML&Co. Subsidiary with its obligations under the Purchase Agreement do not and will not, whether with or without the giving of notice or lapse

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of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined in Section 1(a)(xiii) of the Underwriting Agreement) under or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument, known to us, to which the Company or any subsidiary is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any subsidiary is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not have a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any subsidiary, or any applicable law, statute, rule, regulation, judgment, order, writ or decree, known to us, of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any subsidiary or any of their respective properties, assets or operations.

We have participated in conferences with officers and representatives of the Company and IMC, representatives of the independent accountants of the Company and IMC, and the Underwriter at which the contents of the ML&Co. Registration Statement and Prospectus, the contents of the IMC Registration Statement and Prospectus and related matters were discussed and, although we are not passing upon or assuming responsibility for the accuracy, completeness or fairness of the statements contained or incorporated by reference in said Registration Statements and Prospectuses and have made no independent check or verification thereof, on the basis of the foregoing, nothing has come to our attention that would lead us to believe (i) that the ML&Co. Registration Statement or any amendment thereto, including the Rule 430A Information and Rule 434 Information (if applicable), (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted therefrom and the Form T-1, as to which we make no statement), at the time such ML&Co. Registration Statement or any such amendment became effective or at the date of the Underwriting Agreement, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the ML&Co. Prospectus or any amendment or supplement thereto (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which we make no statement), at the time the ML&Co. Prospectus was issued, at the time any such amended or supplemented prospectus was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (ii) that the IMC Registration Statement or any amendment thereto, (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which we make no statement), at the time such IMC Registration Statement or any such amendment became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the IMC Prospectus or any amendment or supplement thereto (except for financial statements and schedules and other

financial data included or incorporated by reference therein or omitted therefrom, as to which we make no statement), at the time the IMC Prospectus was issued, at the time any such amended or supplemented prospectus was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material

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fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering such opinion, such counsel may rely as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of responsible officers of the Company and public officials.

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Exhibit B

FORM OF OPINION OF IMC'S COUNSEL
TO BE DELIVERED PURSUANT TO
SECTION 5(a) (4)

(i) IMC has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the IMC Prospectus and to enter into and perform its obligations under the Registration Agreement and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(ii) The shares of issued and outstanding capital stock of IMC have been duly authorized and validly issued and are fully paid and non-assessable; and none of the outstanding shares of capital stock of IMC was issued in violation of the preemptive or other similar rights of any securityholder of IMC.

(iii) Each Subsidiary has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the IMC Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the IMC Registration Statement, all of the issued and outstanding capital stock of each Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and, to the best of our knowledge, is owned by IMC, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares of capital stock of any Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary.

(iv) The Registration Agreement has been duly authorized, executed and delivered by IMC.

(v) The IMC Registration Statement, including any IMC Rule 462(b) Registration Statement, has been declared effective under the 1933 Act; any required filing of the IMC Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); and, to the best of our knowledge, no stop order suspending the

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effectiveness of the IMC Registration Statement or any IMC Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

(vi) The IMC Registration Statement, including any IMC Rule 462(b) Registration Statement, the IMC Prospectus, excluding the documents incorporated by reference therein, and each amendment or supplement to the IMC Registration Statement and IMC Prospectus, excluding the documents incorporated by reference therein, as of their respective effective or issue dates (other than the financial statements and supporting schedules included therein or omitted therefrom, as to which we express no opinion) complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations.

(vii) The documents incorporated by reference in the IMC Prospectus (other than the financial statements and supporting schedules included therein or omitted therefrom, as to which we express no opinion), when they were filed with the Commission, complied as to form in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder.

(viii) The form of certificate used to evidence the IMC Common Stock complies in all material respects with all applicable statutory requirements, with any applicable requirements of the charter and by-laws of IMC and the requirements of the New York Stock Exchange.

(ix) To the best of our knowledge, there is not pending or threatened any action, suit, proceeding, inquiry or investigation, to which IMC or any subsidiary is a party, or to which the property of IMC or any subsidiary is subject, before or brought by any court or governmental agency or body, domestic or foreign, which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated in the Registration Agreement or the performance by IMC of its obligations thereunder.

(x) The information in the Prospectus under "_____", "_____" and "Description of Capital Stock," and in the Registration Statement under Items 14 and 15, to the extent that it constitutes matters of law, summaries of legal matters, IMC's charter and bylaws or legal proceedings, or legal conclusions, has been reviewed by us and is correct in all material respects.

(xi) To the best of our knowledge, there are no statutes or regulations, and no legal or governmental proceedings pending or threatened to which IMC or any of its subsidiaries is a party or to which any of the properties of IMC or any of its subsidiaries is subject, that are required to be described in the IMC Prospectus that are not described as required.

(xii) All descriptions in the IMC Registration Statement of contracts and other documents to which IMC or its subsidiaries are a party are accurate in all material respects; to the best of our knowledge, there are no franchises, contracts, indentures, mortgages, loan agreements, notes, leases or other instruments required to be described or referred to in the IMC Registration Statement or to be filed as exhibits thereto other than those described or referred to

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therein or filed or incorporated by reference as exhibits thereto, and the descriptions thereof or references thereto are correct in all material respects.

(xiii) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign, (other than under the 1933 Act and the 1933 Act Regulations, which have been obtained, or as may be required under the securities or blue sky laws of the various states, as to which we express no opinion) is necessary or required in connection with the due authorization, execution, and delivery by IMC of the Registration Agreement or the performance by IMC of its obligations thereunder.

(xiv) The execution, delivery and performance of the Registration Agreement and the consummation of the transactions contemplated in the Registration Agreement and in the IMC Registration Statement and compliance by IMC with its obligations under the Registration Agreement do not and will not, whether with or without the giving of notice or lapse of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined in Section 1(a)(xi) of the Registration Agreement) under or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of IMC or any subsidiary pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument, known to us, to which IMC or any subsidiary is a party or by which it or any of them may be bound, or to which any of the property or assets of IMC or any subsidiary is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not have a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or by-laws of IMC or any subsidiary, or any applicable law, statute, rule, regulation, judgment, order, writ or decree, known to us, of any government, government instrumentality or court, domestic or foreign, having jurisdiction over IMC or any subsidiary or any of their respective properties, assets or operations.

[(xv) IMC is not an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the 1940 Act.]

We have participated in conferences with officers and representatives of IMC, representatives of the independent accountants of IMC, and the Underwriter at which the contents of the IMC Registration Statement and the

IMC Prospectus and related matters were discussed and, although we are not passing upon or assuming responsibility for the accuracy, completeness or fairness of the statements contained or incorporated by reference in the IMC Registration Statement and the IMC Prospectus and have made no independent check or verification thereof except as described in paragraph (x) above, on the basis of the foregoing, nothing has come to our attention that would lead us to believe that the IMC Registration Statement or any amendment thereto (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which we make no statement), at the time such IMC Registration Statement or any such amendment became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the IMC Prospectus or any amendment or supplement thereto (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which

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we need make no statement), at the time the IMC Prospectus was issued, at the time any such amended or supplemented prospectus was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

[In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws other than the laws of the State of New York, the corporate laws of the State of Delaware or the federal laws of the United States of America, to the extent such counsel deems proper and specified in such opinion, upon the opinion of other counsel whom such counsel believes to be reliable, provided that such counsel furnishes copies thereof to the Underwriter and states that such opinion of such local counsel is satisfactory in form and substance and the Underwriter and counsel for the Underwriter are entitled to rely thereon, and (B) as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of responsible officers of IMC and public officials. As used in this Exhibit B, the terms "Material Adverse Effect," "Subsidiary" and "Subsidiaries" shall have the meanings ascribed to them in the Registration Agreement.]

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Exhibit C

FORM OF OPINION OF GVI'S COUNSEL
TO BE DELIVERED PURSUANT TO
SECTION 5(a) (5)

(i) GVI has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and has corporate power and authority to enter into and perform its obligations under the Underwriting Agreement and the Purchase Agreement.

(ii) GVI is the sole registered owner of and has all rights in and to at least 6,510,268 shares of IMC Common Stock, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity (except such as may be created under or pursuant to that certain [describe new loan agreement]).

(iii) The Underwriting Agreement has been duly authorized, executed and delivered by GVI.

(iv) The Purchase Agreement has been duly authorized, executed and delivered by GVI and (assuming the due authorization, execution and delivery thereof by the Company) constitutes a valid and binding agreement of GVI, enforceable against GVI in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(v) The execution, delivery and performance by GVI of the Underwriting Agreement and the Purchase Agreement and the consummation by GVI of the transactions contemplated therein and compliance by GVI with its obligations thereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or lapse of time or both, conflict with or constitute a breach of, or default or GVI Repayment Event under or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of GVI or any of its

subsidiaries pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument, known to us, to which GVI or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of GVI or any of its subsidiaries is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not, singly or in the aggregate, materially and adversely affect the

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ability of GVI to perform its obligations under the Underwriting Agreement or the Purchase Agreement), nor will such action result in any violation of the provisions of the charter or by-laws of GVI or any of its subsidiaries, or any applicable law, statute, rule, regulation, judgment, order, writ or decree, known to us, of any government, government instrumentality or court, domestic or foreign, having jurisdiction over GVI or any of its subsidiaries or any of their respective assets, properties or operations (except for such violations that would not, singly or in the aggregate, materially and adversely affect the ability of GVI to perform its obligations under the Underwriting Agreement or the Purchase Agreement).

(vi) To the best of our knowledge, no filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency (other than under the 1933 Act and the 1933 Act Regulations, which have been obtained, or as may be required under the securities or blue sky laws of the various states, as to which we need express no opinion) is necessary or required in connection with the due authorization, execution and delivery by GVI of the Underwriting Agreement or the Purchase Agreement or the performance by GVI of its obligations thereunder.

We have participated in conferences with officers and representatives of GVI, IMC and the Underwriter at which the contents of the IMC Registration Statement and the IMC Prospectus relating to GVI were discussed and, although we are not passing upon or assuming responsibility for the accuracy, completeness or fairness of the statements contained in the IMC Registration Statement and the IMC Prospectus relating to GVI and have made no independent check or verification thereof, on the basis of the foregoing, nothing has come to our attention that would lead us to believe that the IMC Registration Statement or any amendment thereto (only with respect to the information included therein or omitted therefrom relating to GVI), at the time such IMC Registration Statement or any such amendment became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the IMC Prospectus or any amendment or supplement thereto (only with respect to the information included therein or omitted therefrom relating to GVI), at the time the IMC Prospectus was issued, at the time any such amended or supplemented prospectus was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

[In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws other than [the laws of the State of New York,] the laws of the State of Illinois, the corporate laws of the State of Delaware or the federal laws of the United States of America, to the extent such counsel deems proper and specified in such opinion, upon the opinion of other counsel whom such counsel believes to be reliable, provided that such counsel furnishes copies thereof to the Underwriter and states that such opinion of such local counsel is satisfactory in form and substance and the Underwriter and counsel for the Underwriter are entitled to rely thereon, and (B) as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of responsible officers of GVI and public officials.]

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[FORM OF LOCK-UP FROM DIRECTORS, OFFICERS OR OTHER
STOCKHOLDERS PURSUANT TO SECTION 5(a)(16)]

Exhibit D

_____, 1996

Merrill Lynch, Pierce, Fenner & Smith
Incorporated,
North Tower
World Financial Center
New York, New York 10281-1209

Re: Proposed Public Offering of STRYPES by Merrill Lynch & Co. Inc.

Ladies and Gentlemen:

The undersigned, a stockholder [and an officer and/or director] of IMC Global Inc., a Delaware corporation (the "Company"), understands that Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") proposes to enter into an Underwriting Agreement (the "Underwriting Agreement") with Merrill Lynch & Co., Inc. ("ML&Co.") and GVI Holdings, Inc. providing for the public offering of ML&Co.'s Structured Yield Product Exchangeable for Stock/sm/, ___% STRYPES/sm/ due _____, 2001, payable at maturity with shares of Common Stock, par value \$1.00 per share (the "IMC Common Stock"), of the Company. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with Merrill Lynch that, during a period of [90] days from the date of the Underwriting Agreement, the undersigned will not, without the prior written consent of Merrill Lynch, offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of IMC Common Stock or any securities convertible into, exchangeable for or repayable with shares of IMC Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or cause to be filed any registration statement under the Securities Act of 1933, as amended, with respect to any of the foregoing; provided that, notwithstanding the foregoing, during such 90-day period the undersigned may sell, without the prior written consent of Merrill Lynch, the greater of (i) 25,000 shares of IMC Common Stock and (ii) 25% of the total number of shares of IMC Common Stock which the undersigned either owns or has the power of disposition as of the date hereof.

Very truly yours,

Signature:

Print Name:

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IMC GLOBAL INC.
(a Delaware corporation)

REGISTRATION AGREEMENT

Dated: _____, 1996

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IMC GLOBAL INC.
(a Delaware corporation)

REGISTRATION AGREEMENT

_____, 1996

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10281-1209

MERRILL LYNCH & CO., INC.
North Tower
World Financial Center
New York, New York 10281-1209

Ladies and Gentlemen:

IMC Global Inc., a Delaware corporation (the "Company"), confirms its agreement with Merrill Lynch & Co., Inc., a Delaware corporation ("ML&Co."), and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), in connection with the proposed issue and sale by ML&Co. to the Underwriter, pursuant to an underwriting agreement, dated the date hereof (the "Underwriting Agreement"), among ML&Co., GVI Holdings, Inc., a Delaware corporation ("GVI"), and the Underwriter, of an aggregate of 5,661,119 of ML&Co.'s Structured Yield Product Exchangeable for Stock/SM/, ___% STRYPES/SM/ Due _____, 2001 (each, a "STRYPE"), payable at maturity by delivery of shares of common stock, par value \$1.00 per share (the "IMC Common Stock"), of the Company, and, at the option of the Underwriter, all or any part of 849,167 additional STRYPES to cover over-allotments, if any.

/SM/ Service mark of Merrill Lynch & Co., Inc.

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The aforesaid 5,661,119 STRYPES (the "Initial Securities") to be purchased by the Underwriter and all or any part of the 849,167 STRYPES subject to the option described in Section 2(b) of the Underwriting Agreement (the "Option Securities") are hereinafter called, collectively, the "Securities." Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Underwriting Agreement.

The Company understands that the Underwriter proposes to make a public offering of the Securities as soon as the Underwriter deems advisable after this Agreement and the Underwriting Agreement have been executed and delivered. The Company acknowledges that the execution and delivery of this Agreement is a condition to the execution and delivery of the Underwriting Agreement by the Underwriter and ML&Co. and that, in consideration of the execution and delivery of the Underwriting Agreement by the Underwriter and ML&Co., the Company is willing to make the representations, warranties and covenants herein contained.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 333-) covering the registration under the Securities Act of 1933, as amended (the "1933 Act"), of the shares of IMC Common Stock deliverable upon payment and discharge of the Securities, including the related preliminary prospectus or prospectuses. Each prospectus used before such registration statement became effective is herein called an "IMC preliminary prospectus." Such registration statement, including the exhibits thereto, the schedules thereto, if any, and the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, at the time it became effective, is herein called the "IMC Registration

Statement." Any registration statement filed pursuant to Rule 462(b) of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") is herein referred to as the "IMC Rule 462(b) Registration Statement," and after such filing the term "IMC Registration Statement" shall include the IMC Rule 462(b) Registration Statement. The final prospectus, including the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, in the form first furnished to the Underwriter for use in connection with the offering of the Securities is herein called the "IMC Prospectus." For purposes of this Agreement, all references to the IMC Registration Statement, any IMC preliminary prospectus, the IMC Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

All references in this Agreement to financial statements and schedules and other information which are "contained," "included" or "stated" in the IMC Registration Statement, any IMC preliminary prospectus or the IMC Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which are incorporated by reference in the IMC Registration Statement, any IMC preliminary prospectus or the IMC Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the IMC Registration Statement, any IMC preliminary prospectus or the IMC Prospectus shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the "1934 Act"), which is incorporated by reference in the IMC Registration Statement, such IMC preliminary prospectus or the IMC Prospectus, as the case may be.

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Prior to the closing under the Underwriting Agreement, ML&Co., Merrill Lynch Mortgage Capital Inc., a wholly-owned subsidiary of ML&Co., and GVI will enter into a contract, pursuant to which GVI will agree to sell and ML&Co. will agree to purchase, immediately prior to the maturity date of the Securities, the Maturity Consideration (as defined in the Supplemental Indenture) required by ML&Co. to pay and discharge all of the Securities at maturity as described in the ML&Co. Prospectus, subject to GVI's right to require that the obligations thereunder be satisfied by a cash payment based on the value of such Maturity Consideration.

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company. The Company represents and warrants to each of the Underwriter and to ML&Co. as of the date hereof, as of the Closing Time referred to in Section 2(c) of the Underwriting Agreement, and as of each Date of Delivery (if any) referred to in Section 2(b) of the Underwriting Agreement, and agrees with each of the Underwriter and ML&Co. as follows:

(i) Compliance with Registration Requirements. The Company meets the

requirements for the use of Form S-3 under the 1933 Act. Each of the IMC Registration Statement and any IMC Rule 462(b) Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the IMC Registration Statement or any IMC Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times the IMC Registration Statement, any IMC Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), the IMC Registration Statement, the IMC Rule 462(b) Registration Statement and any amendments and supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. Neither the IMC Prospectus nor any amendments or supplements thereto, at the time the IMC Prospectus or any such amendment or supplement was issued and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties in this subsection shall not apply to statements in or omissions from the IMC Registration Statement or IMC Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Underwriter, ML&Co. or GVI expressly for use in the IMC Registration Statement or IMC Prospectus.

Each IMC preliminary prospectus and the IMC Prospectus filed as part of the IMC Registration Statement as originally filed or as part of any amendment thereto, or filed

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pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations and, if applicable, each IMC preliminary prospectus and the IMC Prospectus delivered to the Underwriter for use in connection with the offering of the Securities was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Incorporated Documents. The documents incorporated or deemed to

be incorporated by reference in the IMC Registration Statement and the IMC Prospectus, when they became effective or at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together with the other information in the IMC Prospectus, at the time the IMC Registration Statement and any post-effective amendments thereto became effective, at the time the IMC Prospectus was issued and at the Closing Time (and if any Option Securities are purchased, at the Date of Delivery), did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(iii) Independent Accountants. The accountants who certified the

financial statements and supporting schedules of the Company and its subsidiaries, and of The Vigoro Corporation and its subsidiaries ("Vigoro"), included in the IMC Registration Statement are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(iv) Financial Statements. The financial statements of the Company

(including the financial statements giving retroactive effect to the merger of the Company and Vigoro) included in the IMC Registration Statement and the IMC Prospectus, together with the related schedules and notes, present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The financial statements of Vigoro included in the IMC Registration Statement and the IMC Prospectus, together with the related notes, present fairly the financial position of Vigoro and its consolidated subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of Vigoro and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved. The supporting schedules, if any, included in the IMC Registration Statement present fairly in accordance with GAAP the information required to be stated therein. The selected consolidated financial information and the summary selected consolidated financial information included in the IMC Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the IMC Registration Statement. The pro forma financial statements and the other pro forma financial information of the Company and its subsidiaries and the related notes thereto included in the IMC Registration Statement

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and the IMC Prospectus present fairly in accordance with GAAP the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(v) No Material Adverse Change in Business. Since the respective

dates as of which information is given in the IMC Registration Statement and the IMC Prospectus, except as otherwise stated therein or contemplated thereby, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the

Company or any of its subsidiaries, which are material with respect to the Company and its subsidiaries considered as one enterprise, other than those in the ordinary course of business, and (C) except for regular quarterly dividends on its outstanding common stock, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(vi) Good Standing of the Company. The Company has been duly

organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the IMC Prospectus and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(vii) Good Standing of Subsidiaries. Each "significant subsidiary"

of the Company (as such term is defined in Rule 1-02 of Regulation S-X) (each a "Subsidiary" and, collectively, the "Subsidiaries") has been duly organized and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the IMC Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the IMC Registration Statement, all of the issued and outstanding capital stock of each such Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares of capital stock of any Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only

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subsidiaries of the Company are [(A)] the subsidiaries listed on Schedule A hereto [and (B) certain other subsidiaries which, considered in the aggregate as a single Subsidiary, do not constitute a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X].

(viii) Capitalization. The shares of outstanding capital stock of

the Company have been duly authorized and validly issued and are fully paid and non-assessable; none of the outstanding shares of capital stock of the Company was issued in violation of the preemptive or other similar rights of any securityholder of the Company.

(ix) Description of Common Stock. The IMC Common Stock conforms in

all material respects to the description thereof contained in the IMC Prospectus and such description conforms to the rights set forth in the instruments defining the same.

(x) Authorization of Agreement. This Agreement has been duly

authorized, executed and delivered by the Company.

(xi) Absence of Defaults and Conflicts. Neither the Company nor any

of its subsidiaries is in violation of its charter or bylaws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any subsidiary is subject (collectively, "Agreements and Instruments") except for such defaults that would not result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein and compliance by the Company with its obligations hereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches or defaults or liens, charges or encumbrances that

would not result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or bylaws of the Company or any subsidiary or, to the best of the Company's knowledge, any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any subsidiary or any of their assets, properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness of the Company or any subsidiary (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any subsidiary.

(xii) Absence of Labor Dispute. No labor dispute with the employees of -----
the Company or any subsidiary exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees

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of any of its or any subsidiary's principal suppliers, manufacturers, customers or contractors, which, in either case, may reasonably be expected to result in a Material Adverse Effect.

(xiii) Absence of Proceedings. There is no action, suit, proceeding, -----
inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any subsidiary, which is required to be disclosed in the IMC Registration Statement (other than as disclosed therein), or which might, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, or which might, individually or in the aggregate, reasonably be expected to materially and adversely affect the properties or assets thereof or the performance by the Company of its obligations hereunder; the aggregate of all pending legal or governmental proceedings to which the Company or any subsidiary is a party or of which any of their respective property or assets is the subject which are not described in the IMC Registration Statement, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xiv) Accuracy of Exhibits. There are no contracts or documents -----
which are required to be described in the IMC Registration Statement, the IMC Prospectus or the documents incorporated by reference therein or to be filed as exhibits thereto which have not been so described or filed as required.

(xv) Possession of Intellectual Property. The Company and its -----
subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

(xvi) Absence of Further Requirements. No filing with, or -----
authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its obligations hereunder, except such as has been already obtained or as may be required under the 1933 Act or the 1933 Act Regulations or state securities laws.

(xvii) Possession of Licenses and Permits. The Company and its -----
subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign

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regulatory agencies or bodies necessary to conduct the business now operated by them; the Company and its subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, have a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not have a Material Adverse Effect; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xviii) Title to Property. The Company and its subsidiaries have

good and marketable title to all material real property owned by the Company and its subsidiaries and good title to all material personal property owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (a) are described in the IMC Prospectus or (b) do not, singly or in the aggregate, materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the IMC Prospectus, are in full force and effect, and neither the Company nor any subsidiary has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(xix) Compliance with Cuba Act. The Company has complied with, and

is and will be in compliance with, the provisions of that certain Florida act relating to disclosure of doing business with Cuba, codified as Section 517.075 of the Florida statutes, and the rules and regulations thereunder (collectively, the "Cuba Act") or is exempt therefrom.

(xx) Investment Company Act. The Company is not an "investment

company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(xxi) Environmental Laws. Except as described in the IMC

Registration Statement and except as would not, singly or in the aggregate, result in a Material Adverse Effect, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of

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chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its subsidiaries and (D) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

(b) Officer's Certificates. Any certificate signed by any officer of the Company and delivered to the Underwriter or counsel for the Underwriter or to ML&Co. or counsel for ML&Co. in connection with the offering of the Securities shall be deemed a representation and warranty by the Company to the Underwriter and to ML&Co., as the case may be, as to the matters covered thereby.

SECTION 2. Covenants of the Company. The Company covenants with the

Underwriter and with ML&Co. as follows:

(a) Compliance with Securities Regulations and Commission Requests. The Company, subject to Section 2(b), will notify the Underwriter and ML&Co. immediately, and confirm the notice in writing, (i) when any post-effective amendment to the IMC Registration Statement shall become effective, or any supplement to the IMC Prospectus or any amended IMC Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the IMC Registration Statement or any amendment or supplement to the IMC Prospectus or for additional information, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the IMC Registration Statement or of any order preventing or suspending the use of any IMC preliminary prospectus, or of the suspension of the qualification of the shares of IMC Common Stock deliverable upon payment and discharge of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings necessary pursuant to Rule 424(b) and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Filing of Amendments. The Company will give the Underwriter and ML&Co. notice of its intention to file or prepare any amendment to the IMC Registration Statement (including any filing under Rule 462(b)) or any amendment, supplement or revision to either the

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prospectus included in the IMC Registration Statement at the time it became effective or to the IMC Prospectus, whether pursuant to the 1933 Act, the 1934 Act or otherwise, will furnish the Underwriter and ML&Co. with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the Underwriter or counsel for the Underwriter or ML&Co. or counsel for ML&Co. shall reasonably object.

(c) Delivery of IMC Registration Statements. The Company has furnished or will deliver to the Underwriter, counsel for the Underwriter, ML&Co. and counsel for ML&Co., without charge, signed copies of the IMC Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and signed copies of all consents and certificates of experts. If applicable, the copies of the IMC Registration Statement and each amendment thereto furnished to the Underwriter and ML&Co. will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) Delivery of IMC Prospectuses. The Company has delivered to the Underwriter, without charge, as many copies of each IMC preliminary prospectus as the Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to the Underwriter, without charge, during the period when the IMC Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the IMC Prospectus (as amended or supplemented) as the Underwriter may reasonably request. If applicable, the IMC Prospectus and any amendments or supplements thereto furnished to the Underwriter and ML&Co. will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) Continued Compliance with Securities Laws. The Company will comply with the 1933 Act and the 1933 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in the Underwriting Agreement. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriter, counsel for ML&Co. or counsel for the Company, to amend the IMC Registration Statement or amend or supplement the IMC Prospectus in order that the IMC Prospectus will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of any such counsel, at any such time to amend the IMC Registration Statement or amend or supplement the IMC Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 2(b), such amendment or supplement as may be necessary to correct such statement or omission or to make the IMC Registration Statement or the IMC Prospectus comply with such requirements, and the Company will furnish to the Underwriter and ML&Co. such number of copies of such amendment or supplement as the Underwriter and ML&Co. may reasonably request.

(f) Blue Sky Qualifications. The Company will use its best efforts, in cooperation with the Underwriter, to qualify the shares of IMC Common Stock deliverable upon payment and discharge of the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Underwriter may designate and to maintain such qualifications in effect through the maturity date of the Securities; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In each jurisdiction in which the shares of IMC Common Stock deliverable upon payment and discharge of the Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect through the maturity date of the Securities.

(g) Rule 158. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(h) Restriction on Sale of Securities. During a period of 90 days from the date of the IMC Prospectus, the Company will not, without the prior written consent of the Underwriter, (x) offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of IMC Common Stock, securities convertible into, exchangeable for or repayable with shares of IMC Common Stock, or rights or warrants to acquire shares of IMC Common Stock or (y) file any registration statement under the 1933 Act with respect to any shares of IMC Common Stock, securities convertible into, exchangeable for or repayable with shares of IMC Common Stock, or rights or warrants to acquire shares of IMC Common Stock; provided, however, that nothing contained in this subsection (h) shall restrict or otherwise limit the Company from (i) calling for redemption in accordance with their terms any securities convertible into IMC Common Stock, (ii) issuing shares upon the exercise of employee or director stock options outstanding at the date of this Agreement, (iii) issuing shares upon the exercise of rights granted as of the date of this Agreement under the Company's shareholders' rights plan, (iv) issuing shares in connection with acquisitions of privately-held companies, provided that the number of shares so issued does

not exceed, in the aggregate, _____ (subject to appropriate adjustment for stock splits, reverse stock splits and stock dividends) and that upon issuance all such shares constitute "restricted securities" as defined in Rule 144(a) under the 1933 Act, or (v) offering shares in connection with any registration statement on Form S-8.

(i) Reporting Requirements. The Company, during the period when the IMC Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the rules and regulations of the Commission thereunder.

SECTION 3. Payment of Expenses. (a) Expenses. The Company will pay all _____ expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the IMC Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the fees and disbursements

of the Company's counsel, accountants and other advisors, (iii) the qualification of the shares of IMC Common Stock deliverable upon payment and discharge of the Securities under securities laws in accordance with the provisions of Section 2(f) hereof, including filing fees and the reasonable fees and disbursements of counsel for ML&Co. in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (iv) the printing and delivery to the Underwriter of copies of each IMC Preliminary Prospectus and of the IMC Prospectus and any amendments or supplements thereto, (v) the preparation, printing and delivery to the Underwriter of copies of the Blue Sky Survey and any supplement thereto and (vi) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriter in connection with, the review by the National Association of Securities Dealers, Inc. of the terms of the offering and sale of the shares of IMC Common Stock deliverable upon payment and discharge of the Securities.

SECTION 4. Indemnification.

(a) Indemnification of Underwriter and ML&Co. The Company agrees to indemnify and hold harmless (1) the Underwriter and each person, if any, who

controls the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and (2) ML&Co. and each person, if any, who controls ML&Co. within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the IMC Registration Statement (or any amendment thereto) or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any IMC preliminary prospectus or the IMC Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, referred to under (i) above; provided that (subject to Section 4(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Underwriter or ML&Co., as the case may be), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission,

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or any such alleged untrue statement or omission, referred to under (i) above, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Underwriter, ML&Co. or GVI expressly for use in the IMC Registration Statement (or any amendment thereto), or any IMC preliminary prospectus or the IMC Prospectus (or any amendment or supplement thereto).

(b) Indemnification of Company, Directors, Officers. The Underwriter agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the IMC Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the IMC Registration Statement (or any amendment thereto), or any IMC preliminary prospectus or the IMC Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the IMC Registration Statement (or any amendment thereto) or such IMC preliminary prospectus or the IMC Prospectus (or any amendment or supplement thereto).

(c) Actions against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to clause (1) of Section 4(a) above, counsel to the indemnified parties shall be selected by the Underwriter; in the case of parties indemnified pursuant to clause (2) of Section 4(a), counsel to the indemnified parties shall be selected by ML&Co.; and, in the case of parties indemnified pursuant to Section 4(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any

litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 4 or Section 5 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an

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unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Settlement without Consent if Failure to Reimburse. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 4(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

SECTION 5. Contribution. If the indemnification provided for in Section 4

hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then the Company on the one hand and the Underwriter and ML&Co. on the other hand shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriter and ML&Co. on the other hand from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Underwriter and ML&Co. on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received from the offering of the Securities shall be deemed to be such that the Underwriter and ML&Co. shall be responsible for that portion of the aggregate amount of such losses, liabilities, claims, damages and expenses represented by the percentage that the total underwriting discount received by the Underwriter, as set forth on the cover of the ML&Co. Prospectus, or, if Rule 434 is used, the corresponding location on the ML&Co. Term Sheet, bears to the aggregate initial public offering price of the Securities as set forth on such cover and the Company shall be responsible for the balance.

The relative fault of the Company on the one hand and the Underwriter and ML&Co. on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or GVI on the one hand or by the Underwriter or ML&Co. on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

Notwithstanding the provisions of this Section 5, the Underwriter and ML&Co. shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by the Underwriter and distributed to the public were offered to the

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public exceeds the amount of any damages which the Underwriter and ML&Co. have otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

The Company, the Underwriter and ML&Co. agree that it would not be just and equitable if contribution pursuant to this Section 5 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 5. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 5 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person

who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 5, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Underwriter; each person, if any, who controls ML&Co. within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as ML&Co.; and each director of the Company, each officer of the Company who signed the IMC Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

SECTION 6. Representations, Warranties and Agreements to Survive Delivery.

All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company submitted pursuant to the Underwriting Agreement, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter or controlling person thereof, or by or on behalf of ML&Co. or controlling person thereof or by or on behalf of the Company, and shall survive delivery of the Securities to the Underwriter pursuant to the Underwriting Agreement.

SECTION 7. Termination. In the event that the Underwriter terminates the

Underwriting Agreement as provided in Section 9 thereof, this Agreement shall simultaneously terminate, except that the provisions of Section 3, the indemnity agreements set forth in Section 4, the contribution provisions set forth in Section 5, and the provisions of Section 6 shall remain in effect.

SECTION 8. Notices. All notices and other communications hereunder shall

be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriter shall be directed to it at Sears Tower Building, Suite 5500, Chicago, Illinois 60606, attention of Todd Kaplan, Director; notices to ML&Co. shall be directed to it at 100 Church St., 12th Floor, New York, New York 10007,

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attention of the Secretary, with a copy to the Treasurer at World Financial Tower, South Tower, New York, New York 10080-6105; notices to the Company shall be directed to it at 2100 Sanders Road, Northbrook, Illinois 60062, attention of Corporate Secretary.

SECTION 9. Parties. This Agreement shall inure to the benefit of and be

binding upon each of the Underwriter, ML&Co. and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriter, ML&Co. and the Company and their respective successors and the controlling persons and officers and directors referred to in Sections 4 and 5 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriter, ML&Co. and the Company and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from the Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 10. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND

CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 11. Effect of Headings. The Article and Section headings herein

and the Table of Contents are for convenience only and shall not affect the construction hereof.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Underwriter, ML&Co. and the Company in accordance with its terms.

Very truly yours,

IMC GLOBAL INC.

By _____
Name:

Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By _____
Authorized Signatory

MERRILL LYNCH & CO., INC.

By _____
Name:
Title:

MERRILL LYNCH & CO., INC.

TO

CHEMICAL BANK,

as Trustee

TENTH SUPPLEMENTAL INDENTURE

Dated as of _____, 1996

Creating a series of Securities designated
Structured Yield Product Exchangeable for Stock/SM/
___% STRYPES/SM/ Due _____, 2001

Supplemental to Indenture
Dated as of April 1, 1983,
as Amended

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Tenth Supplemental Indenture, dated as of _____, 1996 (the "Supplemental Indenture"), by and between Merrill Lynch & Co., Inc., a corporation organized and existing under the laws of the State of Delaware, having its principal office at World Financial Center, New York, New York 10281 (the "Company"), and Chemical Bank, a corporation duly organized and existing under the laws of the State of New York and successor by merger to Manufacturers Hanover Trust Company, having its Corporate Trust Office at 450 West 33rd Street, New York, New York 10001, as trustee (the "Trustee").

WHEREAS, the Company has heretofore executed and delivered its Indenture, dated as of April 1, 1983 and restated as of April 1, 1987 (as amended and supplemented to the date hereof, the "Principal Indenture"), to the Trustee to provide for the issuance from time to time of its unsecured and unsubordinated debentures, notes or other evidences of senior indebtedness (the "Securities"),

unlimited as to principal amount; and

WHEREAS, the Principal Indenture, as amended by the Trust Indenture Reform Act of 1990, and this Supplemental Indenture are hereinafter collectively referred to as the "Indenture"; and

WHEREAS, the Company proposes to create and issue a new series of Securities designated as its Structured Yield Product Exchangeable for Stock/SM/, ___% STRYPES/SM/ Due _____, 2001 (each such Security being referred to herein as a "STRYPE"), the terms of which will require the Company to pay and discharge the STRYPES on their maturity date by delivering to the Holders thereof a specified percentage of each type of security and other property then constituting part of the Reference Property (as defined herein) or, at the option of the Company, cash with an equal value, as provided herein;

WHEREAS, the Reference Property initially will consist of one share of common stock, par value \$1.00 per share ("IMC Common Stock"), of IMC Global Inc., a Delaware corporation ("IMC Global"), including the preferred stock purchase right associated therewith, and will be adjusted from time to time prior to the maturity date of the STRYPES to reflect the addition or substitution of any cash, Reference Securities and/or other property receivable in respect of such share of IMC Common Stock (or any other security or property constituting part of the Reference Property) as a result of any dividend or distribution (other than cash dividends that do not constitute Extraordinary Cash Dividends and payments of interest on any evidences of indebtedness) or issuance of rights or warrants with respect thereto (or any other security or property constituting part of the Reference Property) or any Reorganization Event involving IMC

/SM/ Service mark of Merrill Lynch & Co., Inc.

Global (or any issuer of any other security constituting part of the Reference Property); and

WHEREAS, Section 901 of the Principal Indenture provides that, without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Principal Indenture, in form satisfactory to the Trustee, (a) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301 thereof and (b) to cure any ambiguity, to correct or supplement any provision in the Principal Indenture which may be defective or inconsistent with any other provision of the Principal Indenture, or to make any other provisions with respect to matters or questions arising under the Principal Indenture which shall not adversely affect the interests of the Holders of Securities of any series or any related coupons in any material respect; and

WHEREAS, the Company has duly authorized the execution and delivery of this Supplemental Indenture, and all things necessary to make this Supplemental Indenture a valid agreement of the Company, in accordance with its terms, have been done;

NOW, THEREFORE, the Company and the Trustee, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby covenant and agree, for the equal and proportionate benefit of all Holders, as follows:

ARTICLE ONE

DEFINITIONS

SECTION 101. Definitions. For all purposes of the Principal Indenture

and this Supplemental Indenture relating to the series of Securities (consisting of STRYPES) created hereby, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Article have the meanings assigned to them in this Article. Capitalized terms used in the Principal Indenture and this Supplemental Indenture but not defined herein are used as they are defined in the Principal Indenture.

"Business Day" means any day that is not a Saturday, a Sunday or a day on which the New York Stock Exchange, banking institutions or trust companies in The City of New York are authorized or obligated by law or executive order to close.

"Closing Price" means, with respect to any Reference Security on any date of determination, the closing sale price (or, if no closing price is reported, the last reported sale price) of such Reference Security on the NYSE

on such date or, if such Reference Security is not listed for trading on the NYSE on any such date, as reported in the composite transactions for

the principal United States securities exchange on which such Reference Security is so listed, or if such Reference Security is not so listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System, or, if such Reference Security is not so reported, the last quoted bid price for such Reference Security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of such Reference Security on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

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

"Debt Instrument" has the meaning specified in Section 402.

"Distributed Assets" has the meaning specified in Section 303(c).

"Extraordinary Cash Dividend" means, with respect to any consecutive 12-month period, the amount, if any, by which the aggregate amount of all cash dividends on any Reference Security consisting of capital stock occurring in such 12-month period (or, if such Reference Security was not outstanding at the commencement of such 12-month period, occurring in such shorter period during which such Reference Security was outstanding) exceeds on a per share basis 12% of the average of the Closing Prices per share of such Reference Security over such 12-month period (or such shorter period during which such Reference Security was outstanding); provided

that, for purposes of the foregoing definition, the amount of cash dividends paid on a per share basis shall be appropriately adjusted to reflect the occurrence during such period of any stock dividend or distribution of shares of capital stock of the issuer of such Reference Security or any subdivision, split, combination or reclassification of shares of such Reference Security.

"Forward Contract" has the meaning specified in Section 402.

"IMC Global" has the meaning specified in the fourth recital of the Company in this instrument.

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"IMC Common Stock" has the meaning specified in the fourth recital of the Company in this instrument.

"Indenture" has the meaning specified in the second recital of the Company in this instrument.

"Initial Price" has the meaning specified in Section 301.

"Interest Payment Date" has the meaning specified in Section 201.

"Maturity Consideration" means the number or amount of each type of Reference Security and other property constituting part of the Reference Property (or, pursuant to the Company's option, the amount of cash in lieu thereof) deliverable upon payment and discharge of the STRYPES on the Maturity Date as provided in Article Three.

"Maturity Date" has the meaning specified in Section 201.

"NYSE" means the New York Stock Exchange, Inc.

"Principal Indenture" has the meaning specified in the first recital of the Company in this instrument.

"Reference Property" has the meaning specified in Section 301.

"Reference Property Value" means, subject to the provisions of Section 303(b), the sum of (a) for any portion of the Reference Property consisting of cash, the amount of such cash, (b) for any portion of the Reference Property consisting of property other than cash or Reference Securities, the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such property, and (c) for any portion of the Reference Property consisting of a Reference Security (including IMC Common Stock), an amount equal to the average Closing Price per unit of such Reference Security on the 20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date multiplied by the number of units of such Reference Security constituting part of the Reference Property.

"Reference Security" means, at any time, any security (as defined in Section 2(1) of the Securities Act of 1933, as amended) then constituting

part of the Reference Property.

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"Regular Record Date" has the meaning specified in Section 201.

"Reorganization Event" has the meaning specified in Section 303(d).

"Securities" has the meaning specified in the first recital of the Company in this instrument.

"STRYPES" has the meaning specified in the third recital of the Company in this instrument.

"STRYPES Certificates" has the meaning specified in Section 202.

"Supplemental Indenture" has the meaning specified in the first paragraph of this instrument.

"Threshold Appreciation Price" has the meaning specified in Section 301.

"Trading Day" means, with respect to any Reference Security the Closing Price of which is being determined, a day on which such Reference Security (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such Reference Security.

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

"Unit" has the meaning specified in Section 402.

ARTICLE TWO

THE STRYPES

SECTION 201. Description of the STRYPES. The Securities shall be known

and designated as the "Structured Yield Product Exchangeable for Stock, __% STRYPES Due _____, 2001" of the Company. The aggregate number of STRYPES which may be authenticated and delivered under this Supplemental Indenture is limited to 6,510,286 with an issue price of \$_____ per STRYPES, or \$_____ in the aggregate, except for STRYPES evidenced by STRYPES Certificates authenticated and delivered upon

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registration of transfer of, or in exchange for, or in lieu of, other STRYPES Certificates evidencing such STRYPES pursuant to Section 304, 305, 306 or 906 of the Principal Indenture.

The STRYPES shall mature on _____, 2001 (the "Maturity Date"). On the Maturity Date, the STRYPES shall be paid and discharged as provided in Article Three of this Supplemental Indenture.

The STRYPES shall bear interest at the rate of __% of the issue price per annum (or \$ _____ per annum), from _____, 1996, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, until the Maturity Date or such earlier date on which the issue price of all STRYPES is repaid in accordance with the provisions of the Indenture. Interest shall be payable in cash quarterly in arrears on _____, _____, _____ and _____, beginning _____, 1996, and on the Maturity Date (each, an "Interest Payment Date"), to the Persons in whose names the STRYPES are registered at the close of business on the fifteenth calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date (each, a "Regular Record Date"). Interest on the STRYPES shall be computed on the basis of a 360-day year of twelve 30-day months.

The interest on the STRYPES shall be payable and the Maturity Consideration shall be deliverable or payable at the office or agency of the Company in the Borough of Manhattan, The City of New York maintained for such purpose and at any other office or agency maintained by the Company for such purpose; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

The STRYPES shall not be redeemable at the option of the Company, or

payable at the option of the Holders, prior to the Maturity Date.

The STRYPES shall be issuable only in registered form without coupons. The STRYPES will be issued in any whole numbers. No fractional STRYPES or scrip representing fractional STRYPES shall be issued.

SECTION 202. Form of STRYPES. The STRYPES shall be evidenced by

certificates ("STRYPES Certificates") in the form attached hereto as Exhibit A.

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ARTICLE THREE

PAYMENT AND DISCHARGE OF STRYPES

SECTION 301. Payment and Discharge on the Maturity Date. On the Maturity

Date, the Company shall pay and discharge each STRYPES by delivering to the Holder thereof: (a) if the Reference Property Value is greater than or equal to \$_____ (the "Threshold Appreciation Price"), _____% of the amount or number of each type of Reference Security and other property constituting part of the Reference Property, (b) if the Reference Property Value is less than the Threshold Appreciation Price but is greater than \$_____ (the "Initial Price"), a percentage of the amount or number of each type of Reference Security and other property constituting part of the Reference Property, allocated as proportionately as practicable, so that the aggregate value thereof is equal to the Initial Price and (c) if the Reference Property Value is less than or equal to the Initial Price, 100% of the amount or number of each type of Reference Security and other property constituting part of the Reference Property.

The term "Reference Property" shall initially mean one share of IMC Common Stock and shall be subject to adjustment from time to time prior to the Maturity Date to reflect the addition or substitution of any cash, securities and/or other property resulting from the application of the provisions of Section 303 of this Article Three.

Holders of the STRYPES will be responsible for the payment of any and all brokerage and transaction costs upon any subsequent sale of any Reference Security or other property constituting part of the Reference Property received on the Maturity Date as described above.

SECTION 302. No Fractional Units. No fractional units or scrip

representing fractional units of any Reference Security shall be delivered on the Maturity Date. If more than one STRYPES shall be held at one time by the same Holder, the number of full units of any Reference Security which shall be delivered upon payment and discharge of such Holder's STRYPES shall be computed on the basis of the aggregate number of STRYPES so held on the Maturity Date. In lieu of any fractional unit of any Reference Security which would otherwise be deliverable upon payment and discharge of any STRYPES on the Maturity Date, the Company, through any applicable Paying Agent, shall make a cash payment in respect of such fractional unit in an amount equal to the value of such fractional unit based on the average Closing Price per unit of such Reference Security on the 20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date.

To the extent practicable, the Company will deliver fractional interests of any Reference Property other than cash or

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a Reference Security upon payment and discharge of any STRYPES on the Maturity Date. If such delivery is not practicable, in lieu of any fractional interest of any Reference Property other than cash or a Reference Security which would otherwise be deliverable on the Maturity Date, the Company, through any Paying Agent, shall make a cash payment in respect of such fractional interest in an amount equal to the value of such fractional interest based on the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such Reference Property other than cash or a Reference Security.

SECTION 303. Adjustment of Reference Property.

(a) Adjustment for Subdivisions, Splits, Combinations or

Reclassifications. If an issuer of a Reference Security shall:

(A) subdivide or split the outstanding units of such Reference Security into a greater number of units;

(B) combine the outstanding units of such Reference Security

into a smaller number of units; or

(C) issue by reclassification of units of such Reference Security any units of another security of such issuer;

then, in any such event, the Reference Property shall be adjusted to include the number of units of such Reference Security and/or other security of such issuer which a holder of units of such Reference Security would have owned or been entitled to receive immediately following any event described above had such holder held, immediately prior to such event, the number of units of such Reference Security constituting part of the Reference Property immediately prior to such event. Each such adjustment shall become effective immediately after the effective date for such subdivision, split, combination or reclassification, as the case may be. Each such adjustment shall be made successively.

(b) Adjustment for Issuance of Certain Rights or Warrants. If an issuer

of a Reference Security shall issue rights or warrants to all holders of such Reference Security entitling them, for a period expiring prior to the fifteenth calendar day following the Maturity Date, to subscribe for or purchase any of its securities or other property (other than rights to purchase units of such Reference Security pursuant to a plan for the reinvestment of dividends or interest), then in each such case, the Reference Property shall be adjusted to include an amount in cash equal to the fair market value (determined as described below), as of the fifth Business Day following the date on which such rights or warrants are received by securityholders entitled thereto (the "Receipt Date"), of each such right or warrant

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multiplied by the product of (A) the number of such rights or warrants issued for each unit of such Reference Security and (B) the number of units of such Reference Security constituting part of the Reference Property on the date of issuance of such rights or warrants, immediately prior to such issuance, without interest thereon. For purposes of this subsection (b), the fair market value of each such right or warrant shall be determined by the Company and shall be the quotient of (x) the highest net bid, as of approximately 10:00 A.M., New York City time, on the fifth Business Day following the Receipt Date for settlement three Business Days later, by a recognized securities dealer in The City of New York selected by or on behalf of the Company (from three (or such fewer number of dealers as may be providing such bids) such recognized dealers selected by or on behalf of the Company), for the purchase by such quoting dealer of the number of rights or warrants (the "Aggregate Number") that a holder of such Reference Security would receive if such holder held, as of the record date for determination of stockholders entitled to receive such rights or warrants, a number of units of such Reference Security equal to the product of (1) the aggregate number of Outstanding STRYPES as of such record date and (2) the number of units of such Reference Security constituting part of the Reference Property, divided by (y) the Aggregate Number. Each such adjustment shall become effective on the fifth Business Day following the Receipt Date of such rights or warrants. If for any reason the Company is unable to obtain the required bid on the fifth Business Day following the Receipt Date, it shall attempt to obtain such bid at successive intervals of three months thereafter and on the third Trading Day prior to the Maturity Date until it is able to obtain the required bid. From the date of issuance of such rights or warrants until the required bid is obtained, the Reference Property shall include the number of such rights or warrants issued for each unit of such Reference Security multiplied by the number of units of such Reference Security constituting part of the Reference Property on the date of issuance of such rights or warrants, immediately prior to such issuance, and such rights or warrants constituting part of the Reference Property shall be deemed for purposes of the definition of Reference Property Value and Section 304 of this Article Three to have a fair market value of zero.

(c) Adjustment for Distributions. If an issuer of a Reference Security

shall pay a dividend or make a distribution to all holders of such Reference Security of cash, securities or other property (excluding any cash dividend on any Reference Security consisting of capital stock that does not constitute an Extraordinary Cash Dividend, excluding any payment of interest on any Reference Security consisting of an evidence of indebtedness and excluding any dividend or distribution described in subsection (a) or (b) above) or shall issue to all holders of such Reference Security rights or warrants to subscribe for or purchase any of its securities or other property (excluding any rights or warrants referred to in subsection (b) above) (any of

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the foregoing being referred to herein as "Distributed Assets"), then in each such case, the Reference Property shall be adjusted to include, from and after such dividend, distribution or issuance, (x) in respect of that portion, if any, of the Distributed Assets consisting of cash, the amount of such Distributed Assets consisting of cash received for each unit of such Reference Security multiplied by the number of units of such Reference Security constituting part of the Reference Property on the date of such dividend, distribution or

issuance, immediately prior to such dividend, distribution or issuance, without interest thereon, plus (y) in respect of that portion, if any, of the Distributed Assets which are other than cash, the number or amount of each type of Distributed Assets other than cash received with respect to each unit of such Reference Security multiplied by the number of units of such Reference Security constituting part of the Reference Property on the date of such dividend, distribution or issuance, immediately prior to such dividend, distribution or issuance.

(d) Adjustment for Consolidation, Merger or Other Reorganization Event.

In the event of (i) any consolidation or merger of an issuer of a Reference Security with or into another entity (other than a merger or consolidation in which such issuer is the continuing corporation and in which the Reference Security outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of such issuer or another entity), (ii) any statutory exchange of securities of an issuer of a Reference Security with another entity (other than in connection with a merger or acquisition) or (iii) any liquidation, dissolution, winding up or bankruptcy of an issuer of a Reference Security (excluding any distribution in such event referred to in subsection (c) above) (any such event described in clause (i), (ii) or (iii), a "Reorganization Event"), the Reference Property shall be adjusted to include, from and after the effective date for such Reorganization Event, in lieu of the number of units of such Reference Security constituting part of the Reference Property immediately prior to the effective date for such Reorganization Event, the amount or number of any cash, securities and/or other property owned or received in such Reorganization Event with respect to each unit of such Reference Security multiplied by the number of units of such Reference Security constituting part of the Reference Property immediately prior to the effective date for such Reorganization Event.

SECTION 304. Payment and Discharge With Cash. Notwithstanding the

provisions of Sections 301, 302 and 303 of this Article Three, the Company may, at its option, in lieu of delivering the applicable percentage of each type of Reference Security and other property constituting part of the Reference Property on the Maturity Date, deliver cash in an amount (calculated to the nearest 1/100th of a dollar per STRYPES or, if there is not a nearest 1/100th of a dollar, then to the next

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higher 1/100th of a dollar) equal to the sum of (a) for any portion of the Reference Property consisting of cash that is otherwise deliverable on the Maturity Date, the amount of such cash, without interest thereon, (b) for any portion of the Reference Property consisting of property other than cash or Reference Securities that is otherwise deliverable on the Maturity Date, the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such property, and (c) for any portion of the Reference Property consisting of a Reference Security (including IMC Common Stock) that is otherwise deliverable on the Maturity Date (except as provided in Section 303(b)), an amount equal to the average Closing Price per unit of such Reference Security on the 20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date multiplied by the number of units of such Reference Security constituting part of the Reference Property. Such option, if exercised by the Company, must be exercised with respect to all Reference Securities and other property otherwise deliverable on the Maturity Date upon payment and discharge of all Outstanding STRYPES.

SECTION 305. Notice of Adjustments and Certain Other Events.

(a) In case at any time while any of the STRYPES are outstanding the Company receives notice that:

(i) an issuer of a Reference Security shall declare a dividend (or any other distribution) on or in respect of such Reference Security to which Section 303(c) shall apply (other than any cash dividends, if any, paid from time to time by such issuer that do not constitute Extraordinary Cash Dividends);

(ii) an issuer of a Reference Security shall authorize the issuance to all holders of such Reference Security of rights or warrants to subscribe for or purchase units of such Reference Security or of any other subscription rights or warrants;

(iii) there shall occur any conversion or reclassification of any Reference Security (other than a subdivision or combination of outstanding units of such Reference Security) or any consolidation, merger or reorganization to which an issuer of a Reference Security is a party and for which approval of any unitholders of such issuer is required, or the sale or transfer of all or substantially all of the assets of an issuer of a Reference Security; or

(iv) there shall occur the voluntary or involuntary dissolution, liquidation, winding up or bankruptcy of an issuer of a Reference Security;

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then the Company shall promptly cause to be delivered to the Trustee and any applicable Paying Agent and filed at the office or agency maintained for the purpose of payment and discharge of STRYPES on the Maturity Date in the Borough of Manhattan, The City of New York by the Trustee (or any applicable Paying Agent), and shall promptly cause to be mailed to the Holders of STRYPES at their last addresses as they shall appear in the Security Register, at least 10 days before the date hereinafter specified (or the earlier of the dates hereinafter specified, in the event that more than one is specified), a notice stating (x) the date, if known by the Company, on which a record is to be taken for the purpose of such dividend, distribution or grant of rights or warrants, or, if a record is not to be taken, the date as of which the holders of such Reference Security of record to be entitled to such dividend, distribution or grant of rights or warrants are to be determined, or (y) the date, if known by the Company, on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation, winding up or bankruptcy is expected to become effective.

(b) Within 10 Business Days following the occurrence of an event that requires an adjustment to the Reference Property pursuant to Section 303 of this Article Three (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), the Company shall provide written notice to the Trustee and to the Holders of the STRYPES of the occurrence of such event and a statement setting forth in reasonable detail the amount or number of each type of Reference Security and other property then constituting part of the Reference Property.

(c) On or prior to the sixth Business Day preceding the Maturity Date, the Company will notify The Depository Trust Company and the Trustee and will publish a notice in The Wall Street Journal or another daily newspaper of national circulation stating whether the STRYPES will be paid and discharged on the Maturity Date by delivery of the applicable percentage of each type of Reference Security and other property constituting part of the Reference Property or of cash in accordance with this Article Three.

SECTION 306. Maturity Consideration Free and Clear. The Company hereby

warrants that upon payment and discharge of a STRYPES on the Maturity Date pursuant to this Supplemental Indenture, the Holder of a STRYPES shall receive all rights held by the Company in the Maturity Consideration with which such STRYPES is at such time payable and dischargeable pursuant to this Supplemental Indenture, free and clear of any and all liens, claims, charges and encumbrances, other than any liens, claims, charges and encumbrances which may have been placed on any Maturity Consideration by the prior owner thereof prior to the time such Maturity Consideration was acquired by the Company. Except as provided in Section 401 of Article Four, the Company will pay all taxes and charges with respect to the delivery of

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Maturity Consideration delivered upon payment and discharge of STRYPES hereunder.

SECTION 307. Cancellation of STRYPES Certificates. Upon receipt by the

Trustee of a STRYPES Certificate delivered to it for payment and discharge of the STRYPES evidenced thereby under this Article Three, the Trustee shall cancel and dispose of the same as provided in Section 309 of the Principal Indenture.

ARTICLE FOUR

TAXES

SECTION 401. Documentary, Stamp, Transfer or Similar Taxes. The Company

will pay any and all documentary, stamp, transfer or similar taxes that may be payable in respect of the transfer and delivery of the Maturity Consideration pursuant to this Supplemental Indenture; provided, however, that the Company shall not be required to pay any such tax which may be payable in respect of any transfer involved in the delivery of Maturity Consideration in a name other than that in which the STRYPES so paid and discharged were registered, and no such transfer or delivery shall be made unless and until the Person requesting such transfer has paid to the Company the amount of any such tax, or has established, to the satisfaction of the Company, that such tax has been paid.

SECTION 402. Treatment of STRYPES. The parties hereto hereby agree, and

each Holder of a STRYPES by its purchase of a STRYPES hereby agrees:

(a) to treat, for all United States Federal, state and local tax

purposes, each STRYPES as a unit (a "Unit") consisting of (A) a debt instrument (the "Debt Instrument") with a fixed principal amount unconditionally payable on the Maturity Date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES and (B) a forward purchase contract (the "Forward Contract") pursuant to which the Holder is irrevocably committed to use the principal payment due on the Debt Instrument to purchase on the Maturity Date the Maturity Consideration which the Company is obligated to deliver at that time (subject to the Company's right to deliver cash with an equal value), which treatment will require, among other things, each Holder that is subject to United States Federal income tax in connection with its ownership of the STRYPES to include currently in income and ordinary interest payments denominated as interest that are made with respect to the STRYPES in accordance with such Holder's regular method of tax accounting;

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(b) in the case of purchases of STRYPES in connection with the original issuance thereof, (A) to allocate \$_____ of the entire initial purchase price of a STRYPES (i.e., the issue price of a STRYPES) to the Debt Instrument component and to allocate the remaining \$_____ of the entire initial purchase price of a STRYPES to the Forward Contract component and (B) to treat such acquisition of the STRYPES by the Holder as a purchase of the Debt Instrument by the Holder for \$_____ and the making of an initial payment by the Holder with respect to the Forward Contract of \$_____;

(c) in the case of purchases and sales of STRYPES subsequent to the original issuance thereof, the purchase price paid (or received) by a Holder will be allocated by the Holder between the Debt Instrument and the Forward Contract based upon their relative fair market values (as determined on the date of acquisition or disposition);

(d) to file all United States Federal, state and local income, franchise and estate tax returns consistent with the treatment of each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract (in the absence of any change or clarification in applicable law, by regulation or otherwise, requiring a different characterization or treatment of the STRYPES).

ARTICLE FIVE

AMENDMENT OF CERTAIN PROVISIONS OF THE PRINCIPAL INDENTURE

SECTION 501. Amendments Relating to the STRYPES. The Principal

Indenture is hereby amended, solely with respect to the STRYPES, as follows:

(a) By deleting Section 308 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 308. Persons Deemed Owners. Prior to due presentment of a STRYPES Certificate for registration of transfer of STRYPES evidenced thereby, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such STRYPES Certificate is registered as the owner of the STRYPES evidenced thereby for the purpose of receiving delivery or payment of the Maturity Consideration in respect of, and (subject to Sections 305 and 307) interest on, such STRYPES and for all other purposes whatsoever, whether or not such STRYPES be overdue, and neither the Company, the Trustee nor any agent of

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the Company or the Trustee shall be affected by notice to the contrary."

(b) By deleting Section 501 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 501. Events of Default. "Event of Default", wherever used herein with respect to STRYPES, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) failure to deliver or pay the Maturity Consideration on the Maturity Date; or

(2) failure to pay any interest on any STRYPES when due, and continuance of such failure for a period of 30 days; or

(3) failure to perform any other covenant of the Company in this Indenture (other than a covenant a failure in whose performance is elsewhere in this Section specifically dealt with), and the continuance of

such failure for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 10% of the aggregate issue price of the Outstanding STRYPES a written notice specifying such failure and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(4) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(5) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for any substantial part of its property, or shall fail generally to pay its debts as they become due or shall take

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any corporate action in furtherance of any of the foregoing."

(c) By deleting Section 502 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 502. Acceleration of Maturity; Rescission and Annulment. If an Event of Default (other than an Event of Default specified in Section 501(4) or 501(5)) occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% of the aggregate issue price of the Outstanding STRYPES may declare an amount equal to the issue price of all the STRYPES to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders), and upon any such declaration such amount shall become immediately due and payable in cash. If an Event of Default specified in Section 501(4) or 501(5) occurs, an amount equal to the issue price of all the STRYPES shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable in cash.

At any time after such a declaration of acceleration has been made or an Event of Default specified in Section 501(4) or 501(5) has occurred, and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided, the Holders of a majority of the aggregate issue price of the Outstanding STRYPES, by written notice to the Company and the Trustee, may rescind and annul such declaration or Event of Default and its consequences if

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

(A) all overdue installments of interest on all STRYPES,

(B) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate borne by the STRYPES, and

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

and

(2) all Events of Default with respect to the STRYPES, other than the non-payment of the amount equal to the issue price of all the STRYPES due solely by reason of such declaration of acceleration or Event of Default

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specified in Section 501(4) or 501(5), have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon."

(d) By deleting the first paragraph of Section 503 of the Principal Indenture in its entirety and inserting in its stead the following:

"The Company covenants that, if default is made in the payment of any

installment of interest on any STRYPES (other than interest due on the Maturity Date) when such interest becomes due and payable and such default continues for a period of 30 days, the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such STRYPES, an amount equal to the issue price of all the STRYPES, the whole amount of interest then due and payable on such STRYPES and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue interest, at the rate borne by the STRYPES, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

The Company further covenants that, if the Maturity Consideration or any interest due on the Maturity Date is not delivered or paid in respect of any STRYPES on the Maturity Date, the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such STRYPES, the Maturity Consideration then due and payable on such STRYPES, the whole amount of interest then due and payable on such STRYPES and, to the extent that payment of such interest shall be legally enforceable, interest on any Maturity Consideration that is overdue and on any overdue interest, at the rate borne by the STRYPES, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel."

(e) By deleting Section 506 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 506. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of the Maturity Consideration or interest, upon presentation of the relevant STRYPES Certificate and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

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FIRST: To the payment of all amounts due the Trustee under Section 607;

SECOND: To the payment of any amounts then due and unpaid on the STRYPES in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such STRYPES; and

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

(f) By deleting Section 508 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 508. Unconditional Right of Holders to Receive the Maturity Consideration and Interest. Notwithstanding any other provision in this Indenture, the Holder of any STRYPES shall have the right, which is absolute and unconditional, to receive (subject to Section 502) payment of the Maturity Consideration in respect of and (subject to Sections 305 and 307) interest on such STRYPES and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder."

(g) By deleting the first sentence of Section 513 of the Principal Indenture in its entirety and inserting in its stead the following:

"The Holders of not less than a majority of the aggregate issue price of the Outstanding STRYPES may on behalf of the Holders of all STRYPES waive any past default hereunder and its consequences, except a default

(1) in the delivery or payment of the Maturity Consideration or in the payment of interest on any STRYPES, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding STRYPES affected."

(h) By deleting Section 801 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 801. Consolidations and Mergers of the Company and Sales, Leases and Conveyances Permitted Subject to Certain Conditions. The Company may consolidate with, or sell, lease or convey all or substantially all of its assets to, or merge with or into any other corporation, provided that in any such case, (i) either the Company shall be the continuing corporation, or the successor corporation shall be a corporation organized and existing under the laws of

the United States of America or a State thereof and such successor corporation shall expressly assume the due and punctual delivery or payment of the Maturity Consideration in respect of and interest on all the STRYPES, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Company by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such corporation, and (ii) the Company or such successor corporation, as the case may be, shall not, immediately after such merger or consolidation, or such sale, lease or conveyance, be in default in the performance of any such covenant or condition."

(i) By deleting the first sentence of Section 902 of the Principal Indenture in its entirety and inserting in its stead the following:

"With the consent of the Holders of not less than 66-2/3% of the aggregate issue price of the Outstanding STRYPES, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of STRYPES under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding STRYPES affected thereby,

(1) change the Maturity Date or the Stated Maturity of any installment of interest on any STRYPES, or reduce the amount of Maturity Consideration deliverable or payable on the Maturity Date or reduce the amount of interest payable on any STRYPES or reduce the amount of cash payable with respect to any STRYPES upon acceleration of the Maturity, or change any Place of Payment where, or the coin or currency in which, any interest on or any amount of cash payable with respect to any STRYPES is payable, or impair the right to institute suit for the enforcement of (i) any payment on or with respect to any STRYPES or (ii) the delivery or payment of the Maturity Consideration with respect to any STRYPES, or

(2) reduce the percentage of the aggregate issue price of Outstanding STRYPES, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or reduce the requirements of Section 1404 for quorum or voting, or

(3) modify any of the provisions of this Section, or Section 513, or Section 1007, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding STRYPES affected thereby.

(j) By deleting Section 1001 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 1001. Delivery and Payment of the Maturity Consideration and Interest. The Company covenants and agrees for the benefit of the Holders of the STRYPES that it will duly and punctually deliver or pay the Maturity Consideration in respect of, and interest on, the STRYPES in accordance with the terms of the STRYPES and this Indenture."

(k) By deleting Section 1003 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 1003. Money for Security Payments to Be Held in Trust. If the Company shall at any time act as its own Paying Agent, it will, on or before each due date of the Maturity Consideration in respect of, or interest on, any of the STRYPES, segregate and hold in trust for the benefit of the Persons entitled thereto consideration in an amount sufficient to deliver or pay the Maturity Consideration or a sum sufficient to pay the interest so becoming due until such consideration shall be delivered or paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents, it will, prior to each due date of the Maturity Consideration in respect of, or interest on, any STRYPES, deposit with a Paying Agent consideration in an amount sufficient to deliver or pay the Maturity Consideration or a sum sufficient to pay the interest so becoming due, such consideration to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will (i) comply with the provisions of the Trust Indenture Act applicable to it as Paying Agent and (ii) during the continuance of any default by the Company (or any other obligor upon the STRYPES) in the making of any payment

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in respect of the STRYPES, upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent as such.

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

Any consideration deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the interest on or delivery upon discharge of any STRYPES and remaining unclaimed for two years after such consideration has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such STRYPES shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust consideration, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in an Authorized Newspaper in each Place of Payment or to be mailed to Holders of the STRYPES, or both, notice that such consideration remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication or mailing, any unclaimed balance of such consideration then remaining will be repaid to the Company."

SECTION 502. Interpretation of Principal Indenture. Except as

otherwise specifically provided in this Supplemental Indenture, whenever in the Principal Indenture there is mentioned, in any context, the principal of or principal amount of any Security of any series or a percentage in principal amount of the Outstanding Securities of any series, such mention shall be deemed to be, solely with respect to the STRYPES, the issue price of the STRYPES or a percentage of the aggregate issue price of the Outstanding STRYPES.

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ARTICLE SIX

MISCELLANEOUS

SECTION 601. Effect of Supplemental Indenture. The Principal

Indenture, as supplemented and amended by this Supplemental Indenture and all other indentures supplemental thereto, is in all respects ratified and confirmed, and the Principal Indenture, this Supplemental Indenture and all indentures supplemental thereto shall be read, taken and construed as one and the same instrument.

SECTION 602. Conflict with Trust Indenture Act. If any provision

hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Supplemental Indenture by any of the provisions of the Trust Indenture Act, such required provision shall control.

SECTION 603. Successors and Assigns. All covenants and agreements in

this Supplemental Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 604. Separability Clause. In case any provision in this

Supplemental Indenture or in the STRYPES shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions (or of the other series of Securities) shall not in any way be affected or impaired thereby.

SECTION 605. Benefits of Supplemental Indenture. Nothing in this

Supplemental Indenture, express or implied, shall give to any Person, other than

the parties hereto and their successors hereunder and the Holders of the STRYPES, any benefit or any legal or equitable right, remedy or claim under this Supplemental Indenture.

SECTION 606. Governing Law. This Supplemental Indenture and each

STRYPES shall be deemed to be a contract made under the laws of the State of New York and this Supplemental Indenture and each such STRYPES shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 607. Execution in Counterparts. This Supplemental Indenture

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

SECTION 608. Responsibility for Recitals. The recitals contained

herein shall be taken as statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of the Principal Indenture or this Supplemental Indenture.

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

Merrill Lynch & Co., Inc.

By: _____
Name:
Title:

Chemical Bank, as Trustee

By: _____
Name:
Title:

EXHIBIT A

[Form of Face of STRYPES Certificate]

[THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") TO A NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

No. _____ STRYPES
CUSIP NO. _____

MERRILL LYNCH & CO., INC.

Structured Yield Product Exchangeable for Stock/SM/
___% STRYPES/SM/ Due _____, 2001

(Payable with Shares of Common Stock,
par value \$1.00 per share, of IMC Global Inc.)

Issue Price Per STRYPES: \$ _____

Merrill Lynch & Co., Inc., a Delaware corporation (hereinafter called the

"Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay and discharge each STRYPES evidenced hereby on _____, 2001 (the "Maturity Date") by delivering to _____, or registered assigns, a percentage of the amount or number of each type of Reference Security and other property then constituting part of the Reference Property (as defined below) determined in accordance with the provisions set forth below, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such STRYPES from _____, 1996, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, on _____, _____, _____ and _____ in each year, commencing _____, 1996 and on the

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Maturity Date, at the rate of ___% of the Issue Price per annum, until the Maturity Date or such earlier date on which the Issue Price is repaid in accordance with the provisions described below. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in said Indenture, be paid to the Person in whose name this STRYPES Certificate (or one or more Predecessor STRYPES Certificates) is registered at the close of business on the fifteenth calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date (each a "Regular Record Date"). In any case where such Interest Payment Date shall not be a Business Day, then (notwithstanding any other provision of said Indenture or this STRYPES Certificate) payment of such interest need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and, if such payment is so made, no interest shall accrue for the period from and after such date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date, and may be paid to the Person in whose name this STRYPES Certificate (or one or more Predecessor STRYPES Certificates) is registered at the close of business on a Special Record Date for the payment of such interest to be fixed by the Trustee hereinafter referred to, notice whereof shall be given to Holders of STRYPES not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the STRYPES may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

On the Maturity Date, the Company shall pay and discharge each STRYPES evidenced hereby by delivering to the Holder: (a) if the Reference Property Value (as defined below) is greater than or equal to \$____ (the "Threshold Appreciation Price"), _____% of the amount or number of each type of Reference Security and other property constituting part of the Reference Property, (b) if the Reference Property Value is less than the Threshold Appreciation Price but is greater than \$____ (the "Initial Price"), a percentage of the amount or number of each type of Reference Security and other property constituting part of the Reference Property, allocated as proportionately as practicable, so that the aggregate value thereof is equal to the Initial Price and (c) if the Reference Property Value is less than or equal to the Initial Price, 100% of the amount or number of each type of Reference Security and other property constituting part of the Reference Property. Notwithstanding the foregoing, the Company may, at its option in lieu of delivering the applicable percentage of each type of Reference Security and other property constituting part of the Reference Property on the Maturity Date, deliver cash in an amount (calculated to the nearest 1/100th of a dollar per STRYPES or, if there is not a nearest 1/100th of a dollar, then to the next higher 1/100th of a dollar) equal to the

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sum of (a) for any portion of the Reference Property consisting of cash that is otherwise deliverable on the Maturity Date, the amount of such cash, (b) for any portion of the Reference Property consisting of property other than cash or Reference Securities that is otherwise deliverable on the Maturity Date, the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such property, and (c) for any portion of the Reference Property consisting of a Reference Security (including IMC Common Stock) that is otherwise deliverable on the Maturity Date, an amount equal to the average Closing Price per unit of such Reference Security on the 20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date multiplied by the number of units of such Reference Security constituting a part of the Reference Property, all as provided in the Indenture. Such number or amount of each type of Reference Security and other property constituting part of the Reference Property (or, pursuant to the Company's option, the amount of cash in lieu thereof) deliverable upon payment and discharge hereof on the Maturity Date is hereinafter referred to as the "Maturity Consideration."

The term "Reference Property" initially means one share of common stock, par value \$1.00 per share (the "IMC Common Stock"), of IMC Global Inc., a Delaware corporation ("IMC Global"), and shall be subject to adjustment from time to time prior to the Maturity Date to reflect the addition or substitution of any cash, securities and/or other property as provided for in the Indenture.

The term "Reference Security" means, at any time, any security (as defined in Section 2(1) of the Securities Act of 1933, as amended) then constituting part of the Reference Property. The term "Reference Property Value" means, subject to the provisions of the Indenture, the sum of (a) for any portion of the Reference Property consisting of cash, the amount of such cash, (b) for any portion of the Reference Property consisting of property other than cash or Reference Securities, the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such property, and (c) for any portion of the Reference Property consisting of a Reference Security (including IMC Common Stock), an amount equal to the average Closing Price per unit of such Reference Security on the 20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date multiplied by the number of units of such Reference Security constituting part of the Reference Property. The term "Closing Price" means, with respect to any Reference Security on any date of determination, the closing sale price (or, if no closing price is reported, the last reported sale price) of such Reference Security on the NYSE on such date or, if such Reference Security is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United

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States securities exchange on which such Reference Security is so listed, or if such Reference Security is not so listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System, or, if such Reference Security is not so reported, the last quoted bid price for such Reference Security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of such Reference Security on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. The term "Trading Day" means, with respect to any Reference Security the Closing Price of which is being determined, a day on which such Reference Security (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such Reference Security.

Interest on the STRYPES evidenced hereby will be payable, and delivery of the Maturity Consideration in payment of the STRYPES evidenced hereby on the Maturity Date will be made, upon surrender of this STRYPES Certificate, at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, and payment of interest on the STRYPES evidenced by this STRYPES Certificate (and, if the Company elects to deliver cash in lieu of the applicable percentage of each type of Reference Property on the Maturity Date, the amount of cash payable on the Maturity Date) will be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register.

ADDITIONAL PROVISIONS OF THIS STRYPES CERTIFICATE ARE CONTAINED ON THE REVERSE HEREOF AND SUCH PROVISIONS SHALL HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS PLACE.

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

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"Structured Yield Product Exchangeable for Stock" and "STRYPES" are service marks of Merrill Lynch & Co., Inc.

IN WITNESS WHEREOF, Merrill Lynch & Co., Inc. has caused this instrument to be duly executed under its corporate seal.

Dated: Merrill Lynch & Co., Inc.

By: _____
Name:
Title:

Attest: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Chemical Bank, as Trustee

By: _____
Authorized Officer

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[Form of Reverse of STRYPES Certificate]

MERRILL LYNCH & CO., INC.

Structured Yield Product Exchangeable for Stock
__% STRYPES Due _____, 2001

(Payable with Shares of Common Stock, par value \$1.00 per share,
of IMC Global Inc.)

This STRYPES Certificate evidences part of a duly authorized issue of unsecured and unsubordinated debentures, notes or other evidences of senior indebtedness (hereinafter called the "Securities") of the Company of the series hereinafter specified, all such Securities issued and to be issued under an indenture dated as of April 1, 1983 and restated as of April 1, 1987, as amended and supplemented as of _____, 1996, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as Trustee (the indenture dated as of April 1, 1983 and restated as of April 1, 1987, as amended, restated and supplemented from time to time, the "Indenture"), to which Indenture and all other indentures supplemental thereto reference is hereby made for a statement of the rights and limitation of rights thereunder of the Holders of the Securities and of the rights, obligations, duties and immunities of the Trustee for each series of Securities and of the Company, and the terms upon which the Securities are and are to be authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may be denominated in currencies other than U.S. Dollars (including composite currencies), may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase and analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This STRYPES Certificate evidences Securities of the series designated as Structured Yield Product Exchangeable for Stock, __% STRYPES Due _____, 2001 (each, a "STRYPES").

The STRYPES are not subject to any sinking fund or other mandatory redemption provisions. The STRYPES are not payable at the option of the Holders prior to the Maturity Date.

If an Event of Default with respect to the STRYPES, as defined in the Indenture, shall occur and be continuing, then an amount equal to the issue price of all the STRYPES may be declared immediately due and payable in cash in the manner and with the effect provided in the Indenture.

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The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the STRYPES under the Indenture at any time by the Company and the Trustee with the consent of the Holders of 66-2/3% of the aggregate issue price of the Outstanding STRYPES. The Indenture also contains provisions permitting the Holders of a majority of the aggregate issue price of the Outstanding STRYPES, on behalf of the Holders of all STRYPES, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences with respect to the STRYPES. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of the STRYPES evidenced by this STRYPES Certificate and of any STRYPES evidenced by a STRYPES Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent of waiver is made upon this STRYPES Certificate.

No reference herein to the Indenture and no provision of this STRYPES Certificate or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to deliver or pay the interest on, and Maturity Consideration in respect of, the STRYPES evidenced by this STRYPES Certificate at the times, place and rate, and in the manner, herein prescribed.

[Form of Face of STRYPES Certificate]

[THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") TO A NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

No. _____ STRYPES
CUSIP NO. _____

MERRILL LYNCH & CO., INC.

Structured Yield Product Exchangeable for Stock/SM/
____% STRYPES/SM/ Due _____, 2001

(Payable with Shares of Common Stock,
par value \$1.00 per share, of IMC Global Inc.)

Issue Price Per STRYPES: \$ _____

Merrill Lynch & Co., Inc., a Delaware corporation (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay and discharge each STRYPES evidenced hereby on _____, 2001 (the "Maturity Date") by delivering to _____, or registered assigns, a percentage of the amount or number of each type of Reference Security and other property then constituting part of the Reference Property (as defined below) determined in accordance with the provisions set forth below, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such STRYPES from _____, 1996, or from the most recent Interest Payment Date to

which interest has been paid or duly provided for, on _____, _____, _____ and _____ in each year, commencing _____, 1996 and on the Maturity Date, at the rate of ____% of the Issue Price per annum, until the Maturity Date or such earlier date on which the Issue Price is repaid in accordance with the provisions described below. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in said Indenture, be paid to the Person in whose name this STRYPES Certificate (or one or more Predecessor STRYPES Certificates) is registered at the close of business on the fifteenth calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date (each a "Regular Record Date"). In any case where such Interest Payment Date shall not be a Business Day, then (notwithstanding any other provision of said Indenture or this STRYPES Certificate) payment of such interest need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and, if such payment is so made, no interest shall accrue for the period from and after such date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date, and may be paid to the Person in whose name this STRYPES Certificate (or one or more Predecessor STRYPES Certificates) is registered at the close of business on a Special Record Date for the payment of such interest to be fixed by the Trustee hereinafter referred to, notice whereof shall be given to Holders of STRYPES not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the STRYPES may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

On the Maturity Date, the Company shall pay and discharge each STRYPES evidenced hereby by delivering to the Holder: (a) if the Reference Property Value (as defined below) is greater than or equal to \$_____ (the "Threshold Appreciation Price"), _____% of the amount or number of each type of Reference Security and other property constituting part of the Reference Property, (b) if the Reference Property Value is less than the Threshold Appreciation Price but is greater than \$_____ (the "Initial Price"), a percentage of the amount or number of each type of Reference Security and other property constituting part of the Reference Property, allocated as proportionately as practicable, so that

the aggregate value thereof is equal to the Initial Price and (c) if the Reference Property Value is less than or equal to the Initial Price, 100% of the amount or number of each type of Reference Security and other property constituting part of the Reference Property. Notwithstanding the foregoing, the Company may, at its option in lieu of delivering the applicable percentage of each type of Reference Security and other property constituting part of the Reference Property on the Maturity Date, deliver cash in an amount (calculated to the nearest 1/100th of a dollar per STRYPES or, if there is not a nearest 1/100th of a dollar, then to the next higher 1/100th of a dollar) equal to the sum of (a) for any portion of the Reference Property consisting of cash that is otherwise deliverable on the Maturity Date, the amount of such cash, (b) for any portion of the Reference Property consisting of property other than cash or Reference Securities that is otherwise deliverable on the Maturity Date, the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such property, and (c) for any portion of the Reference Property consisting of a Reference Security (including IMC Common Stock) that is otherwise deliverable on the Maturity Date, an amount equal to the average Closing Price per unit of such Reference Security on the

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20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date multiplied by the number of units of such Reference Security constituting a part of the Reference Property, all as provided in the Indenture. Such number or amount of each type of Reference Security and other property constituting part of the Reference Property (or, pursuant to the Company's option, the amount of cash in lieu thereof) deliverable upon payment and discharge hereof on the Maturity Date is hereinafter referred to as the "Maturity Consideration."

The term "Reference Property" initially means one share of common stock, par value \$1.00 per share (the "IMC Common Stock"), of IMC Global Inc., a Delaware corporation ("IMC Global"), and shall be subject to adjustment from time to time prior to the Maturity Date to reflect the addition or substitution of any cash, securities and/or other property as provided for in the Indenture. The term "Reference Security" means, at any time, any security (as defined in Section 2(1) of the Securities Act of 1933, as amended) then constituting part of the Reference Property. The term "Reference Property Value" means, subject to the provisions of the Indenture, the sum of (a) for any portion of the Reference Property consisting of cash, the amount of such cash, (b) for any portion of the Reference Property consisting of property other than cash or Reference Securities, the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company) as of the third Trading Day preceding the Maturity Date of such property, and (c) for any portion of the Reference Property consisting of a Reference Security (including IMC Common Stock), an amount equal to the average Closing Price per unit of such Reference Security on the 20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date multiplied by the number of units of such Reference Security constituting part of the Reference Property. The term "Closing Price" means, with respect to any Reference Security on any date of determination, the closing sale price (or, if no closing price is reported, the last reported sale price) of such Reference Security on the NYSE on such date or, if such Reference Security is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which such Reference Security is so listed, or if such Reference Security is not so listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System, or, if such Reference Security is not so reported, the last quoted bid price for such Reference Security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of such Reference Security on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. The term "Trading Day" means, with respect to any Reference Security the Closing Price of which is being determined, a day on which such Reference Security (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such Reference Security.

Interest on the STRYPES evidenced hereby will be payable, and delivery of the Maturity Consideration in payment of the STRYPES evidenced hereby on the Maturity Date will be made, upon surrender of this STRYPES Certificate, at the office or agency of the Company maintained

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for that purpose in the Borough of Manhattan, The City of New York, and payment of interest on the STRYPES evidenced by this STRYPES Certificate (and, if the Company elects to deliver cash in lieu of the applicable percentage of each type of Reference Property on the Maturity Date, the amount of cash payable on the Maturity Date) will be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and

private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register.

ADDITIONAL PROVISIONS OF THIS STRYPES CERTIFICATE ARE CONTAINED ON THE REVERSE HEREOF AND SUCH PROVISIONS SHALL HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS PLACE.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature, this STRYPES Certificate shall not be entitled to any benefit under

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the Indenture, or be valid or obligatory for any purpose. "Structured Yield Product Exchangeable for Stock" and "STRYPES" are service marks of Merrill Lynch & Co., Inc.

IN WITNESS WHEREOF, Merrill Lynch & Co., Inc. has caused this instrument to be duly executed under its corporate seal.

Dated:

Merrill Lynch & Co., Inc.

By: _____
Name:
Title:

Attest: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Chemical Bank, as Trustee

By: _____
Authorized Officer

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[Form of Reverse of STRYPES Certificate]

MERRILL LYNCH & CO., INC.

Structured Yield Product Exchangeable for Stock
___% STRYPES Due _____, 2001

(Payable with Shares of Common Stock, par value \$1.00 per share, of IMC Global Inc.)

This STRYPES Certificate evidences part of a duly authorized issue of unsecured and unsubordinated debentures, notes or other evidences of senior indebtedness (hereinafter called the "Securities") of the Company of the series hereinafter specified, all such Securities issued and to be issued under an indenture dated as of April 1, 1983 and restated as of April 1, 1987, as amended and supplemented as of _____, 1996, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as Trustee (the indenture dated as of April 1, 1983 and restated as of April 1, 1987, as amended, restated and supplemented from time to time, the "Indenture"), to which Indenture and all other indentures supplemental thereto reference is hereby made for a statement of the rights and limitation of rights thereunder of the Holders of the Securities and of the rights, obligations, duties and immunities of the Trustee for each series of Securities and of the Company, and the terms upon which the Securities are and are to be authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may be denominated in currencies other than U.S. Dollars (including composite currencies), may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase and analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This STRYPES Certificate evidences

Securities of the series designated as Structured Yield Product Exchangeable for Stock, ___% STRYPES Due _____, 2001 (each, a "STRYPES").

The STRYPES are not subject to any sinking fund or other mandatory redemption provisions. The STRYPES are not payable at the option of the Holders prior to the Maturity Date.

If an Event of Default with respect to the STRYPES, as defined in the Indenture, shall occur and be continuing, then an amount equal to the issue price of all the STRYPES may be declared immediately due and payable in cash in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the STRYPES under the Indenture at any time by the Company and the Trustee with the consent of the Holders of 66-2/3% of the aggregate issue price of the Outstanding STRYPES. The Indenture also contains provisions permitting the Holders of a

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majority of the aggregate issue price of the Outstanding STRYPES, on behalf of the Holders of all STRYPES, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences with respect to the STRYPES. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of the STRYPES evidenced by this STRYPES Certificate and of any STRYPES evidenced by a STRYPES Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent of waiver is made upon this STRYPES Certificate.

No reference herein to the Indenture and no provision of this STRYPES Certificate or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to deliver or pay the interest on, and Maturity Consideration in respect of, the STRYPES evidenced by this STRYPES Certificate at the times, place and rate, and in the manner, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the STRYPES evidenced by this STRYPES Certificate are transferable on the Security Register of the Company, upon surrender of this STRYPES Certificate for registration of transfer at the office or agency of the Company to be maintained for that purpose in The City of New York, New York, or at any other office or agency of the Company maintained for that purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new STRYPES Certificates, evidencing the same aggregate number of STRYPES, will be issued to the designated transferee or transferees.

No service charge shall be made for any such transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the registration of such transfer or exchange, other than certain exchanges not involving any transfer. Certain terms used in this STRYPES Certificate which are defined in the Indenture have the meanings set forth therein.

This STRYPES Certificate shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York. The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this STRYPES Certificate is registered as the owner of the STRYPES evidenced hereby for the purpose of receiving payment as herein provided and for all other purposes, whether or not the STRYPES be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

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ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM -- as tenants in UNIF GIFT MIN -- _____ Custodian _____
common (Cust) (Minor)

TEN ENT -- as tenants by the Under Uniform Gifts to Minors
entireties Act _____
(State)

JT TEN -- as joint tenants with
right of survivorship
and not as tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY
OR TAXPAYER I.D. OR OTHER
IDENTIFYING NUMBER OF
ASSIGNEE

(Please print or typewrite name and address including postal
zip code of assignee)

_____ STRYPES and all rights thereunder, hereby
irrevocably constituting and appointing

attorney to transfer said STRYPES on the books of the Company, with full power
of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond
with the name as written upon on the face of the within
Security in every particular, without alteration or
enlargement or any change whatever.

June 20, 1996

Merrill Lynch & Co., Inc.
World Financial Center
North Tower
New York, New York 10281-1334

Gentlemen:

We have acted as your counsel and are familiar with the corporate proceedings had in connection with the proposed issuance and sale by Merrill Lynch & Co., Inc. (the "Company") of up to 6,510,286 of its Structured Yield Product Exchangeable for Stock, _____% STRYPES Due _____, 2001 (the "Securities").

We have examined such documents and records as we deemed appropriate, including the following:

(a) a copy of the Restated Certificate of Incorporation of the Company, certified by the Secretary of State of the State of Delaware;

(b) a copy of the Company's Registration Statement on Form S-3 (File No. 33-65135), as amended by Post-Effective Amendment Nos. 3 and 5 thereto, relating to the Securities (as so amended, the "Registration Statement");

(c) a copy of the indenture with respect to the Company's senior debt securities between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee"), dated as of April 1, 1983, as amended and restated (the "Principal Indenture"), in the form executed by the Company and the Trustee; and

(d) a copy of the supplemental indenture with respect to the Securities between the Company and the Trustee (the "Supplemental Indenture"), in the form filed as an exhibit to the Registration Statement.

The term "Indenture" shall mean the Principal Indenture as amended by the Trust Indenture Reform Act of 1990 and as amended and supplemented by the Supplemental Indenture.

Based upon the foregoing and upon such further investigation as we deem relevant in the premises, we are of the opinion:

1. The Company has been duly incorporated under the laws of the State of Delaware.

2. The Principal Indenture has been duly and validly authorized, executed and delivered by the Company and, as amended by the Trust Indenture Reform Act of 1990, constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms.

3. The Supplemental Indenture has been duly authorized by the Company and, when the Supplemental Indenture has been duly executed and delivered by the Company and the Trustee, such Supplemental Indenture will constitute a valid and binding agreement of the Company, enforceable in accordance with its terms.

4. When appropriate corporate action has been taken to fix the terms of the Securities and the Supplemental Indenture has been duly executed and delivered by the Company and the Trustee, and when the Securities shall have been duly authenticated or countersigned by the Trustee and duly issued under the Indenture, such Securities will constitute valid and binding obligations of the Company, enforceable in accordance with their terms.

With respect to enforcement, the above opinions are qualified to the extent that enforcement of the Principal Indenture, the Supplemental Indenture or the Securities may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and may be subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

We consent to the filing of this opinion as an exhibit to the Registration Statement, to the quotation in the Registration Statement of our opinion with respect to certain tax matters and to the use of our name wherever appearing in the Registration Statement and any amendment thereto.

Very truly yours,

6/19/96 DRAFT

PURCHASE AGREEMENT

THIS AGREEMENT is made as of this ____ day of June, 1996 between MERRILL LYNCH MORTGAGE CAPITAL INC. ("Purchaser"), a Delaware corporation and a wholly-owned subsidiary of Merrill Lynch & Co., Inc., a Delaware corporation ("ML & Co."), ML & Co. and GVI HOLDINGS, INC., a Delaware corporation ("Seller").

WHEREAS, ML & Co. has filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-3 (File No. 33-65135) and Post-Effective Amendment Nos. 3 and 5 thereto contemplating the offering of up to 6,510,286 of its Structured Yield Product Exchangeable for Stock/SM/, ____% STRYPES/SM/ Due _____, 2001 (the "STRYPES"), the terms of which require ML & Co. to pay and discharge the STRYPES on _____, 2001 (the "Maturity Date") by delivering to the holders thereof the Maturity Consideration.

WHEREAS, ML & Co. has agreed, pursuant to an underwriting agreement dated the date hereof (the "Underwriting Agreement") among ML & Co., Seller and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), to issue and sell to the Underwriter an aggregate of 5,661,119 STRYPES (the "Initial STRYPES") and, at the Underwriter's option, all or any part of 849,167 additional STRYPES (the "Option STRYPES") to cover over-allotments, if any.

WHEREAS, the STRYPES are to be issued under an indenture, dated as of April 1, 1983 and restated as of April 1, 1987 (as amended and supplemented, the "Principal Indenture"), between Purchaser and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee"), as further amended and supplemented by the Tenth Supplemental Indenture, dated as of June ____, 1996 (the "Supplemental Indenture"), between ML & Co. and the Trustee, relating to the STRYPES. The Principal Indenture, as amended and supplemented by the Supplemental Indenture, is hereinafter referred to as the "Indenture."

WHEREAS, in order to obtain the Maturity Consideration required to satisfy its obligations under the STRYPES, ML & Co. has agreed to purchase from Purchaser, and Purchaser has agreed to sell to ML & Co., (i) concurrent with the issuance and sale of the Initial STRYPES, an obligation of Purchaser in the form of Exhibit A hereto, the aggregate principal amount of which will be equal to ____% of the net proceeds to ML & Co. from the sale of the Initial STRYPES and the payment terms (other than the interest rate) of which will be identical to the payment terms of the Initial STRYPES (the "Initial Subsidiary STRYPES") and (ii) concurrent with each issuance and sale of any Option STRYPES, an additional obligation of Purchaser in the form of Exhibit A hereto, the aggregate principal amount of which will be equal to ____% of the net proceeds to ML & Co. from the sale of such Option STRYPES and the payment terms (other than the interest rate) of which will be identical to the payment terms of

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such Option STRYPES (an "Option Subsidiary STRYPES"); the Initial Subsidiary STRYPES and each Option Subsidiary STRYPES are hereinafter collectively referred to as the "Subsidiary STRYPES."

WHEREAS, in exchange for certain consideration to be paid by Purchaser hereunder, Purchaser and Seller desire to provide for the future acquisition, sale and delivery of the aggregate number or amount of each type of Reference Security and other property constituting part of the Reference Property that would be required by Purchaser to pay and discharge all of the Subsidiary STRYPES on the Maturity Date (collectively, the "Subsidiary Maturity Consideration"), assuming (x) (1) all of the STRYPES are held by the same Holder at such time and without taking into account any default with respect to the STRYPES or any acceleration of the maturity of the STRYPES resulting therefrom and (2) all of the Subsidiary STRYPES are held by the same Holder at such time and without taking into account any default with respect to the Subsidiary STRYPES or any acceleration of the maturity of the Subsidiary STRYPES resulting therefrom and (y) that the fair market value of any Reference Property consisting of rights or warrants described in Section 303(b) of the Supplemental Indenture is the value determined pursuant to such Section 303(b), and (z) that the Purchaser has not elected to deliver cash in lieu of Reference Property (collectively, the "Contract Consideration") at a price to be established under this Agreement.

WHEREAS, Seller owns 6,510,286 shares of the common stock, par value \$1.00 per share (the "IMC Common Stock"), of IMC Global Inc., a Delaware corporation

("IMC Global").

WHEREAS, Seller and Purchaser desire that, at the option of Seller, the respective future acquisition, sale and delivery obligations can be settled entirely, but not less than entirely, through cash payment in lieu of delivery of the Contract Consideration.

WHEREAS, pursuant to a Pledge Agreement dated as of June __, 1996 (the "Pledge Agreement"), among Seller, Purchaser and _____, as Agent (the "Agent"), _____ shares of IMC Common Stock initially will be pledged to secure the obligations of the Seller hereunder.

WHEREAS, Seller and Purchaser desire that ownership of the Contract Consideration (including, without limitation, voting rights and rights to receive any dividends, interest, distributions and other payments in respect thereof, provided that, to the extent constituting part of the Reference Property, such dividends, interest, distributions and other payments and the proceeds of any sale required by the provisions hereof shall be retained by the Agent in accordance with the provisions hereof or of the Pledge Agreement) remain in Seller unless and until delivery, if any, of such Contract Consideration to Purchaser pursuant to the provisions of this Agreement.

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

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1.

Definitions

1.1. Definitions. Capitalized words and phrases used herein and not otherwise defined shall have the meanings ascribed to them in the Supplemental Indenture.

2.

Future Sale of Contract Consideration or Cash Settlement

2.1. Sale and Purchase. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, at the Closing (as defined in Section 2.3 hereof), Seller agrees to assign, transfer, convey and deliver to Purchaser, and Purchaser agrees to acquire from Seller, the Contract Consideration.

2.2. Consideration. (a) The consideration to be paid by Purchaser for Seller's obligation hereunder to deliver (or cause to be delivered) the Contract Consideration in respect of the Initial Subsidiary STRYPES (the "Firm Consideration Amount") shall be \$_____ in cash. Upon the terms and subject to the conditions of this Agreement, Purchaser shall deliver to Seller the Firm Consideration Amount on _____, 1996 (the "Firm Payment Date") at the offices of Brown & Wood, One World Trade Center, New York, New York 10048, or at such other place as shall be agreed upon by Purchaser and Seller.

(b) ML & Co. shall deliver promptly to Purchaser and Seller notice of any exercise by the Underwriter of its option to purchase any Option STRYPES, stating the number of Option STRYPES as to which the Underwriter is then exercising the option and the time and date of payment and delivery for such Option STRYPES (any such time and date of delivery, a "Date of Delivery"). The consideration to be paid by Purchaser in exchange for Seller's obligation hereunder to deliver (or cause to be delivered) the Contract Consideration in respect of any Option Subsidiary STRYPES (the "Option Consideration Amount") shall be an amount in cash equal to ____% of the net proceeds to ML & Co. from the sale of the related Option STRYPES. Upon the terms and subject to the conditions of this Agreement, Purchaser shall deliver to Seller the Option Consideration Amount on the related Date of Delivery at the offices of Brown & Wood, One World Trade Center, New York, New York 10048, or at such other place as shall be agreed upon by Purchaser and Seller.

(c) Payment of the Firm Consideration Amount and the Option Consideration Amount shall be made by Fedwire transfer of immediately available funds to an account designated by Seller, or such other form of payment specified by Seller, against delivery by Seller to the Agent of the number of shares of IMC Common Stock necessary to comply with Seller's obligations under Section 5.1 hereof.

2.3. Delivery Upon Maturity. Consummation of the acquisition, sale and

delivery of the Contract Consideration shall take place on a date mutually agreeable to Purchaser and Seller, not later than one (1) Trading Day prior to the Maturity Date (the "Closing"). Delivery of the Contract Consideration shall be made at the offices of MLMC, or at such other place as shall

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be agreed upon by Purchaser and Seller. Certificates representing Reference Securities in registered form that are part of the Contract Consideration shall be registered in Purchaser's name or in the name of a depository or a nominee of a depository as requested by Purchaser, unless such Reference Securities are represented by one or more global certificates registered in the name of a depository or a nominee of a depository or are book entry securities, in which event Purchaser's interest in such securities shall be noted in a manner satisfactory to Purchaser and its counsel. Other property that is a part of the Contract Consideration delivered to Purchaser shall be transferable by Purchaser to the same extent as when received by or on behalf of Seller and shall not be subjected, by reason of or following receipt by Seller, to any transfer restrictions not generally applicable to all holders of such other property.

2.4. No Fractional Interests. No fractional units or scrip representing

fractional units of any Reference Security shall be delivered at the Closing. Instead of any fractional unit of any such Reference Security which would otherwise be deliverable by Seller at the Closing, Seller shall make a cash payment in respect of such fractional unit in an amount equal to the value of such fractional unit based upon the average Closing Price per unit of such Reference Security on the 20 Trading Days immediately prior to, but not including, the second Trading Day preceding the Maturity Date. To the extent practicable, Seller will deliver fractional interests of any Reference Property other than cash or a Reference Security at the Closing. If such delivery is not practicable, in lieu of any fractional interest of any Reference Property other than cash or a Reference Security which would otherwise be deliverable at the Closing, Seller shall make a cash payment in respect of such fractional interest in an amount equal to the value of such fractional interest based on the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by ML & Co.) as of the third Trading Day preceding the Maturity Date of such Reference Property other than cash or a Reference Security.

2.5. Cash Settlement. (a) Notwithstanding the provisions of Sections 2.1,

2.2, 2.3 and 2.4 hereof, Seller shall have the option, exercisable in its sole discretion, to require that its obligation contained therein be settled, in whole, through a cash payment at Closing in lieu of delivery of the Contract Consideration. The amount of such cash settlement payment shall be equal to the value of the Subsidiary Maturity Consideration determined in accordance with the second sentence of the third paragraph of the Subsidiary STRYPES, assuming (x) (1) all of the STRYPES are held by the same Holder at such time and without taking into account any default with respect to the STRYPES or any acceleration of the maturity of the STRYPES resulting therefrom and (2) all of the Subsidiary STRYPES are held by the same Holder at such time and without taking into account any default with respect to the Subsidiary STRYPES or any acceleration of the maturity of the Subsidiary STRYPES resulting therefrom and (y) that the fair market value of any Reference Property consisting of rights or warrants described in Section 303(b) of the Supplemental Indenture is the value determined pursuant to such Section 303(b), and (z) that the Purchaser has not elected to deliver cash in lieu of Reference Property (the "Maturity Value"). On or prior to the day seven Business Days preceding the Maturity Date, Seller shall notify Purchaser whether it will exercise its option to require cash settlement pursuant to this Section 2.5.

(b) If the Contract Consideration consists of securities and/or other property other than IMC Common Stock, Seller's right to deliver (or cause to be delivered) to Purchaser hereunder such securities and/or other property shall be conditioned upon such securities and/or other property so delivered (i) being transferable by Purchaser to the same extent as when received by or on behalf of Seller, and (ii) not being subjected, by reason of or following receipt

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by Seller, to any transfer restrictions not generally applicable to all holders of such securities and/or other property. If the condition set forth in the preceding sentence shall not be satisfied, then, notwithstanding the provisions hereof, the parties' respective obligations contained in Sections 2.1, 2.2, 2.3 and 2.4 hereof shall be settled, in whole, through a cash payment at the Closing in lieu of delivery of the Contract Consideration as provided in Section 2.5(a).

2.6. Seller's Conditions to Closing. Seller's obligation to consummate the

transactions contemplated hereunder is conditioned upon (a) the purchase and sale of the Initial STRYPES pursuant to the Underwriting Agreement having been consummated as contemplated therein, (b) Seller having received, at or prior to the date of Closing, subject to the provisions of Section 7.1 hereof, notice from Purchaser specifying the Contract Consideration, (c) the representations

and warranties of Purchaser contained in paragraphs (iii) and (iv) of Article 4 hereof being true and correct as of the date of the Closing and (d) the Pledge Agreement having been executed by the parties thereto and the delivery of the Collateral thereunder having been made.

2.7. Purchaser's Conditions to Closing. Purchaser's obligation to

consummate the transactions contemplated hereunder is conditioned upon (a) the purchase and sale of the Initial STRYPES pursuant to the Underwriting Agreement having been consummated as contemplated therein, (b) the representations and warranties of Seller contained in paragraphs (i), (iii)(b), (iv), (v) and (vi) of Article 3 hereof being true and correct as of the date of the Closing, (c) the Pledge Agreement having been executed by the parties thereto and the delivery of the Collateral thereunder having been made and (d) Purchaser having received a legal opinion of Rosenberg & Liebentritt, P.C., dated the date of Closing, as to certain insolvency matters, in form and substance satisfactory to Purchaser.

3.

Representations and Warranties of Seller

Seller represents and warrants to Purchaser as of the date hereof and as of the date of Closing as follows:

(i) Seller has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to enter into and perform its obligations under this Agreement and the Pledge Agreement. All of the issued common stock of Seller is owned by Great American Management and Investment, Inc., a Delaware corporation ("GAMI"), and such common stock is the only capital stock issued by Seller. Seller's certificate of incorporation limits its activities to [describe]. Seller is qualified to do business in each jurisdiction in which the conduct of its business so requires.

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(ii) This Agreement and the Pledge Agreement have been duly authorized, executed and delivered by Seller and (assuming the due authorization, execution and delivery by the other parties thereto) constitute valid and binding agreements of Seller, enforceable against Seller in accordance with their respective terms, except as the enforcement hereof and thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement hereof and thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(iii) (a) At the date hereof, Seller is the sole registered owner of and has all rights in and to at least 6,510,286 shares of IMC Common Stock, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity, except for the security interest granted to certain banks pursuant to that certain Credit Agreement, dated May 20, 1996, among GVI, as borrower, and the banks named as parties therein, which security interest will be released on the date of the Closing; and (b) to the extent Seller elects to deliver the Contract Consideration at Closing, upon delivery of such Contract Consideration against payment therefor pursuant to this Agreement, Purchaser will be the sole owner of such Contract Consideration and, assuming Purchaser purchased for value in good faith and without notice of any adverse claim, Purchaser will have acquired all rights in and to such Contract Consideration, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

(iv) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the execution, delivery or performance by Seller of this Agreement or the Pledge Agreement or the consummation by Seller of the transactions contemplated herein and therein, except such as have been already obtained or as may be required under the 1933 Act or the rules and regulations promulgated thereunder or state securities laws; and Seller has full right, power and authority to enter into this Agreement and the Pledge Agreement and to sell, assign, transfer and deliver the Contract Consideration pursuant to this Agreement.

(v) The execution, delivery and performance by Seller of this Agreement and the Pledge Agreement and the consummation by Seller of the transactions contemplated herein and therein and compliance by Seller with its obligations hereunder and thereunder do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of Seller pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument to which Seller is a party or by which Seller is bound, or to which any of the property

or assets of Seller is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not, singly or in the aggregate, materially and adversely affect the ability of Seller to perform its obligations under this Agreement and the Pledge Agreement), nor will such action result in any violation of the provisions of the charter or by-laws of Seller, or any applicable law, statute, rule or regulation of any government or government instrumentality having jurisdiction over Seller or any of its subsidiaries or any of their assets, properties or operations (other than any state securities or "blue sky" law, statute, rule or regulation, as to which no representation and warranty is made), or any applicable judgment, order, writ or decree of any government, government instrumentality or domestic

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court having jurisdiction over Seller or any of its assets, properties or operations (except in all cases for violations that would not, singly or in the aggregate, materially and adversely affect the ability of Seller to perform its obligations under this Agreement and the Pledge Agreement).

(vi) Seller is not an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

4.

Representations and Warranties of Purchaser

Purchaser represents and warrants to Seller as of the date hereof and as of the date of Closing as follows:

(i) Purchaser has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to enter into and perform its obligations under this Agreement and the Pledge Agreement.

(ii) This Agreement and the Pledge Agreement have been duly authorized, executed and delivered by Purchaser and (assuming the due authorization, execution and delivery by the other parties thereto) constitute valid and binding agreements of Purchaser, enforceable against Purchaser in accordance with their respective terms, except as the enforcement hereof and thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement hereof and thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(iii) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the execution, delivery or performance by Purchaser of this Agreement or the Pledge Agreement or the consummation by Purchaser of the transactions contemplated herein and therein, except such as have been already obtained or as may be required under the 1933 Act or the rules and regulations promulgated thereunder or state securities laws; and Purchaser has full right, power and authority to enter into this Agreement and the Pledge Agreement and to purchase the Contract Consideration pursuant to this Agreement and the Pledge Agreement.

(iv) The execution, delivery and performance by Purchaser of this Agreement and the Pledge Agreement and the consummation by Purchaser of the transactions contemplated herein and therein and compliance by Purchaser with its obligations hereunder and thereunder do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of Purchaser pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument to which Purchaser is a party or by which Purchaser is bound, or to which any of the property or assets of Purchaser is subject (except for such conflicts, breaches

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or defaults or liens, charges or encumbrances that would not, singly or in the aggregate, materially and adversely affect the ability of Purchaser to perform its obligations under this Agreement and the Pledge Agreement), nor will such action result in any violation of the provisions of the charter or by-laws of Purchaser, or any applicable law, statute, rule, or regulation of any government or government instrumentality having jurisdiction over Purchaser or any of its subsidiaries or any of their assets, properties or operations (other than any state securities or "blue sky" law, statute, rule or regulation, as to which no representation and warranty is made), or any applicable judgment, order, writ or decree of any government, government instrumentality or domestic court having jurisdiction over Purchaser or any of its assets, properties or operations (except in all cases for violations that would not, singly or in the aggregate,

materially and adversely affect the ability of Purchaser to perform its obligations under this Agreement and the Pledge Agreement).

5.

Covenants

5.1. Pledge. (a) Seller shall cause to be held by the Agent during the

term of this Agreement an aggregate number of shares of IMC Common Stock and/or cash, securities and/or other property at least equal to the maximum number or amount of each type of Reference Security and other property constituting part of the Reference Property that would be required by Purchaser to pay and discharge the Subsidiary STRYPES on the Maturity Date, assuming (x) (1) all of the STRYPES are held by the same Holder at such time and without taking into account any default with respect to the STRYPES or any acceleration of the maturity of the STRYPES resulting therefrom and (2) all of the Subsidiary STRYPES are held by the same Holder at such time and without taking into account any default with respect to the Subsidiary STRYPES or any acceleration of the maturity of the Subsidiary STRYPES resulting therefrom and (y) that the fair market value of any Reference Property consisting of rights or warrants described in Section 303(b) of the Supplemental Indenture is the value determined pursuant to such Section 303(b), and (z) that the Purchaser has not elected to deliver cash in lieu of Reference Property (the "Maximum Maturity Consideration").

(b) Seller shall direct the Agent to sell (as provided in Section 2(c) of the Pledge Agreement) any rights or warrants described in Section 303(b) of the Supplemental Indenture at the net bid received by the Agent in accordance with the procedures specified in Section 2(c) of the Pledge Agreement and to hold during the term of this Agreement the proceeds from such sale. If the Agent is unable to consummate such sale, the rights or warrants shall be held by the Agent, and neither Seller nor the Agent shall be required to take any action to sell such rights or warrants other than as specified in such Section 2(c) of the Pledge Agreement.

5.2. Affirmative Covenants. During the term of this Agreement, Seller

covenants and agrees that it will:

(a) Comply in all material respects with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property, including the Collateral, except to the extent contested in good faith.

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(b) Furnish to Purchaser as soon as possible and in any event within twenty days after the president or any vice president of Seller shall become aware of the occurrence of each failure by Seller to comply with or perform any agreement or obligation contained in Sections 5.1, 5.2, 5.3 or 5.4 of this Agreement or Sections 4, 7(a) or 7(b) of the Pledge Agreement continuing on the date of such statement, a statement of the president or any vice president of Seller describing such failure and setting forth details of such failure and the action which the Seller has taken and proposes to take with respect thereto.

(c) Preserve and maintain its corporate existence, rights (charter and statutory), powers, franchises and qualifications, and limit its activities to those specifically authorized in its certificate of incorporation.

(d) At any reasonable time and from time to time, upon reasonable notice, prior to the occurrence of a GVI Termination Event, and upon any notice after the occurrence of a GVI Termination Event until delivery of the Collateral to Seller to the extent required in accordance with Section 6.1(a) or (b), as applicable, permit Purchaser or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the offices of, Seller, and to discuss the affairs, finances and accounts of Seller with any of its officers or directors.

(e) Keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of Seller, including the Collateral, in accordance with appropriate accounting principles consistently applied.

5.3. Negative Covenants. During the term of this Agreement, Seller

covenants and agrees that it will not:

(a) Except for Permitted Activities and the transactions otherwise contemplated by this Agreement and the Pledge Agreement, sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, or

create, incur or suffer to exist any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of its properties, including the Collateral, whether now owned or hereafter acquired, or assign any right to receive income, in each case to secure to provide for the payment of any Debt of any Person. "Permitted Activities" shall mean activities of Seller directly related to: (i) the ownership of the Collateral, (ii) the receipt of the Firm Consideration Amount and the Option Consideration Amount; (iii) the receipt pursuant to Section 5 of the Pledge Agreement of distributions in respect of the Collateral; (iv) the investment and reinvestment of amounts received pursuant to (ii) and (iii) above or amounts received from any such investment or reinvestment (which may include loans to Affiliates); (v) the dividend payment or other distribution of amounts received pursuant to (ii), (iii) and (iv) or any of its properties other than the Collateral; and (vi) the payment of its expenses related to the foregoing and the conduct of its business in accordance with the provisions of its certificate of incorporation. "Debt" means, without duplication, (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) obligations to pay the deferred purchase price of property or services, (iv) obligations as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, and (v) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (iv) above. "Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

(b) Create or suffer to exist any Debt of Seller, other than the Debt created under this Agreement and the Pledge Agreement.

(c) Except for Permitted Activities and the transactions otherwise contemplated by this Agreement and the Pledge Agreement, declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any shares of any class of capital stock of

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Seller, or purchase, redeem or otherwise acquire for value any shares of any class of capital stock of Seller or any warrants, rights or options to acquire any such shares, now or hereafter outstanding.

(d) Except for the transactions contemplated by this Agreement and the Pledge Agreement, merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets, including the Collateral (whether now owned or hereafter acquired) to, or acquire all or substantially all of the assets of, any Person.

(e) Except for Permitted Activities and the transactions otherwise contemplated by this Agreement and the Pledge Agreement, own any property, incur any liabilities, make any investment or conduct any business other than the ownership of the Collateral, this Agreement and the Pledge Agreement, and the incurrence of the obligations pursuant to this Agreement and the Pledge Agreement.

5.4. Separate Corporate Existence. Seller acknowledges that Purchaser is

entering into the transactions contemplated by this Agreement and the Pledge Agreement in reliance upon the Seller's identity as a legal entity that is separate from GAMI and its other Affiliates. As used in this Agreement, unless otherwise specifically provided, the term "Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a partner in, or a director or officer of, such Person. The term "control" (including the terms "controlled by" or "under the common control with") means the possession, direct or indirect, of the power to vote ten percent or more of the securities having ordinary voting power for the election of directors of such Person or to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or by contract or otherwise. Therefore, from and after the date of execution and delivery of this Agreement, Seller covenants and agrees to take all reasonable steps, including, without limitation, all steps that Purchaser may from time to time reasonably request, to maintain Seller's identity as a separate legal entity and to make it manifest to third parties that Seller is an entity with assets and liabilities distinct from those of GAMI and its other Affiliates and not just a division of GAMI. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, Seller covenants and agrees to:

(a) conduct its own business in its own name and, to the extent Seller has any full-time employees, require that all full-time employees of the Seller identify themselves as such and not as employees of any Affiliate (including, without limitation, by means of providing appropriate employees with business or

identification cards identifying such employees as Seller's employees);

(b) compensate all employees, consultants and agents directly, from Seller's bank accounts, for services provided to Seller by such employees, consultants and agents, except to the extent that any employee, consultant or agent of Seller is also an employee, consultant or agent of any Affiliate(s) and the compensation of such employee, consultant or agent is allocated between Seller and such Affiliate(s) on a basis which reflects the services rendered to Seller and such Affiliate(s);

(c) have separate stationery, invoices and checks in its own name;

(d) conduct all transactions with each Affiliate strictly on an arm's-length basis, allocate all overhead expenses (including, without limitation, telephone and other utility charges)

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for items shared between Seller and such Affiliate on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on a basis reasonably related to actual use;

(e) observe all corporate formalities as a distinct entity, and ensure that all appropriate corporate actions are duly authorized by its Board of Directors; without limiting the generality of the foregoing, Seller's Certificate of Incorporation shall at all times provide that corporate action to file a voluntary petition under the federal Bankruptcy Code or consent to the entry of an order for relief in an involuntary case under the federal bankruptcy laws as now or hereafter in effect may be authorized only by unanimous vote of its Board of Directors;

(f) maintain the Seller's books and records separate from those of each Affiliate and otherwise readily identifiable as its own assets rather than assets of any Affiliate;

(g) prepare its financial statements separately from those of each Affiliate and insure that any consolidated statements of any Affiliate that include Seller have notes clearly indicating that Seller is a separate corporate entity and that the Collateral will be available first and foremost to satisfy the claims of Purchaser pursuant to this Agreement;

(h) except as herein specifically otherwise provided, not commingle funds or other assets, including the Collateral, of Seller with those of any Affiliate and not maintain bank accounts or other depository accounts to which any Affiliate is an account party, into which any Affiliate makes deposits or from which any Affiliate has the power to make withdrawals;

(i) not permit any Affiliate to pay any of the Seller's operating expenses (except pursuant to allocation arrangements that comply with the requirements of this Section 5.4);

(j) except for the master or blanket policies covering Seller and any Affiliate(s) or the property of Seller and such Affiliate(s), the costs of which are allocated between Seller and such Affiliate(s) on a reasonable basis, not permit Seller to be named as an insured on the insurance policy covering the property of any Affiliate or enter into an agreement with the holder of such policy whereby in the event of a loss in connection with such property, proceeds are paid to Seller; and

(k) have at least one member of its Board of Directors who is not (i) an officer or employee of any Affiliate; (ii) a Person related to any officer or employee of any Affiliate, (iii) a holder (directly or indirectly) of any securities of any Affiliate, or (iv) a Person related to a holder (directly or indirectly) of any voting securities of any Affiliate; provided that for

purposes of this clause (k), "Affiliate" shall mean any entity consolidated under generally accepted accounting principles with Equity Holdings Limited, an Illinois limited partnership ("EHL") and any trustee, officer, employee or direct beneficiary of any of EHL's general partners.

5.5. Taxes. Seller shall pay any and all documentary, stamp, transfer or

similar taxes and charges that may be payable in respect of the transfer and delivery of the Contract Consideration pursuant hereto.

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5.6. Amounts Due to Trustee. ML & Co. shall pay any and all amounts due

to the Trustee under Section 607 of the Indenture.

5.7. Certain Notices. (a) ML & Co. shall notify Seller of any notice of

default with respect to the STRYPES received by ML & Co. from the Trustee or any holders of STRYPES pursuant to the Indenture as promptly as reasonably

practicable after receipt thereof.

(b) In case at any time while any of the STRYPES are outstanding Seller receives written notice in its capacity as a holder of any Reference Security that:

(i) an issuer of a Reference Security shall declare a dividend (or any other distribution) on or in respect of such Reference Security to which Section 303(c) of the Supplemental Indenture shall apply (other than any cash dividends, if any, paid from time to time by the issuer of such Reference Security that do not constitute Extraordinary Cash Dividends);

(ii) an issuer of a Reference Security shall authorize the issuance to all holders of such Reference Security of rights or warrants to subscribe for or purchase units of such Reference Security or of any other subscription rights or warrants;

(iii) there shall occur any conversion or reclassification of any Reference Security (other than a subdivision or combination of outstanding units of such Reference Security) or any consolidation, merger or reorganization to which an issuer of a Reference Security is a party and for which approval of any unitholders of such issuer is required, or the sale or transfer of all or substantially all of the assets of an issuer of a Reference Security; or

(iv) there shall occur the voluntary or involuntary dissolution, liquidation, winding up or bankruptcy of an issuer of a Reference Security;

then Seller shall promptly notify Purchaser and ML & Co. of such fact and of (x) the date, if known by Seller, on which a record is to be taken for the purpose of such dividend, distribution or grant of rights or warrants, or, if a record is not to be taken, the date as of which the holders of such Reference Security of record to be entitled to such dividend, distribution or grant of rights or warrants are to be determined, or (y) the date, if known by Seller, on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation, winding up or bankruptcy is expected to become effective.

5.8. No Supplemental Indentures Without Consent. ML & Co. shall not,

without the consent of Seller, enter into any indenture supplemental to the Indenture or otherwise modify or supplement the Supplemental Indenture which would have an adverse effect on Seller. ML & Co. and Purchaser shall not, without the consent of Seller, amend the Subsidiary STRYPES in any respect that would adversely affect any obligation of Seller hereunder, including, without limitation, increasing the consideration that Seller is obligated to deliver at Closing pursuant to this Agreement. In the event that (i) any modification or indenture supplemental to the Indenture or modification or supplement to the Supplemental Indenture which would have an adverse effect on Seller is entered into without Seller's consent or (ii) the Subsidiary STRYPES are amended

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in any respect that would adversely affect any obligation of Seller hereunder without Seller's consent, then, insofar as this Agreement is concerned and except to the extent thereafter approved by Seller, this Agreement shall be interpreted and performed as if such modification or indenture supplemental to the Indenture or modification or supplement to the Supplemental Indenture or amendment of the Subsidiary STRYPES had never existed and such modification or indenture supplemental to the Indenture or modification or supplement to the Supplemental Indenture or amendment of the Subsidiary STRYPES shall have no effect for purposes of this Agreement.

5.9. Limitations on Trading During Certain Days. Each of Seller and ML &

Co. hereby agrees that it will not, and it will cause each of its Affiliates not to, buy or sell shares of any Reference Security for their own account during the 20 Trading Days immediately prior to the second Trading Day preceding the Maturity Date.

5.10. Payment and Discharge of STRYPES. Purchaser agrees that it shall

pay and discharge its obligations under the Subsidiary STRYPES by delivering to the holders of the Subsidiary STRYPES on the Maturity Date the form of consideration that it receives from Seller hereunder. ML & Co. agrees that it shall pay and discharge its obligations under the STRYPES by delivering to the holders of the STRYPES on the Maturity Date the form of consideration that it receives from Purchaser under the Subsidiary STRYPES.

5.11. Further Assurances. From time to time on and after the date hereof

through the date of Closing, each of the parties hereto shall use its reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper and advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement in accordance with the terms and conditions hereof, including (i)

using reasonable best efforts to remove any legal impediment to the consummation of such transactions and (ii) the execution and delivery of all such deeds, agreements, assignments and further instruments of transfer and conveyance necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement in accordance with the terms and conditions hereof.

6.
Acceleration of Delivery

6.1. Delivery. (a) If a GVI Termination Event, within the meaning of the -----
Pledge Agreement, shall occur following the occurrence of a ML Termination Event, within the meaning of the Pledge Agreement, or a GVI Termination Event and a ML Termination Event shall occur simultaneously, then (i) Seller's rights under Section 2.5 hereof shall terminate immediately, (ii) there shall become immediately deliverable and payable by Seller to Purchaser (and immediately deliverable by the Agent under the Pledge Agreement to Purchaser) the following: (1) if the value of the Collateral (as defined in the Pledge Agreement) (determined in the manner provided in Section 2.5 hereof for the Maturity Value) is greater than \$ [the aggregate Issue Price], then the greater of (x) a percentage of the amount or number of each type of Reference Security and other property then constituting Reference Property, allocated

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as proportionately as practicable, so that the aggregate value thereof (determined in the manner provided in Section 2.5 hereof for the Maturity Value) is equal to \$ [the aggregate Issue Price], and (y) ___% of the amount or number of each type of Reference Security and other property then constituting Reference Property, or (2) if the value of the Collateral is less than or equal to \$ [the aggregate Issue Price], then 100% of the Collateral, and (iii) the balance of the Collateral remaining after the delivery and payment described in clause (ii) above, if any, shall be retained by Seller (and shall become immediately deliverable by the Agent under the Pledge Agreement to Seller).

(b) If a GVI Termination Event, within the meaning of the Pledge Agreement, shall occur prior to the occurrence of a ML Termination Event, within the meaning of the Pledge Agreement, then (i) Seller's rights under Section 2.5 hereof shall terminate immediately and (ii) all Collateral shall become immediately deliverable and payable by Seller to Purchaser (and immediately deliverable by the Agent under the Pledge Agreement to Purchaser).

7.
Miscellaneous

7.1. Adjustments to Reference Property; Selection of Independent Firm. ML -----
& Co. shall provide Seller with all notices given by ML & Co. pursuant to Section 305 of the Supplemental Indenture. ML & Co. shall provide Seller reasonable opportunity to review the calculations pertaining to any adjustment of the Reference Property or to any determination of the Maturity Consideration or the value of the Maturity Consideration made pursuant to Article Three of the Supplemental Indenture. If the Seller disagrees with any such calculation or determination or with the determination of the Subsidiary Maturity Consideration, the Contract Consideration or the Maturity Value, _____ or such other independent accounting or investment banking firm agreed upon by Seller and ML & Co. shall be retained to make such calculation, which shall be binding upon Purchaser, ML & Co. and Seller. The fees and expenses of such firm shall be borne by Seller if the independent firm agrees with the calculation of ML & Co. and shall be borne by ML & Co. if the independent firm agrees with the calculation of Seller. If the independent firm agrees with neither the calculation of ML & Co. or of Seller, its fees and expenses shall be borne equally by ML & Co. and Seller. If, pursuant to the terms and conditions of the Supplemental Indenture and the STRYPES, ML & Co. shall be required to retain a nationally recognized independent investment banking firm for any purpose provided in the Supplemental Indenture or the STRYPES, such nationally recognized independent investment banking firm shall be selected and retained by ML & Co. only after giving Seller 30 days prior notice (or such shorter notice as may be reasonably practicable) of the identity of such firm and after consultation with Seller, and ML & Co. shall not select any firm that is not reasonably acceptable to Seller. In the event that ML & Co. fails or refuses to timely make the calculations pertaining to any adjustment of the Reference Property or to any determination of the Maturity Consideration or the value of the Maturity Consideration pursuant to Article Three of the Supplemental Indenture or to notify Seller of such calculations, then Seller may retain _____ or a nationally recognized independent investment banking firm to make such calculations, adjustments or determinations, which shall be binding on

Purchaser, ML & Co. and Seller and shall be used for the purpose of determining the Contract Consideration under this Agreement or the cash settlement payment pursuant to Section 2.5 of this Agreement.

7.2. Notices. Notices to Purchaser shall be directed to it at

_____, attention of _____; notices to ML & Co. shall be directed to it at 100 Church Street, 12th Floor, New York, New York 10007, attention of the Secretary, with a copy to the Treasurer at World Financial Center, South Tower, New York, New York, 10080-6105; notices to Seller shall be directed to it at Two North Riverside Plaza, Suite 1100, Chicago, Illinois 60606, attention of General Counsel. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if either (i) personally delivered (including delivery by courier service or by Federal Express or any other nationally recognized overnight delivery service for next day delivery) to the offices specified in the preceding sentence, in which case they shall be deemed received on the first Business Day by which delivery shall have been made to said offices; or (ii) sent by certified mail, return receipt requested, in accordance with the preceding sentence, in which case they shall be deemed received when receipted for unless acknowledgment is refused (in which case delivery shall be deemed to have been received on the first Business Day on which such acknowledgment is refused).

7.3. Governing Law; Consent to Jurisdiction. This Agreement shall be

governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed wholly within such State. For the purpose of any suit, action or proceeding arising out of or relating to this Agreement, the parties hereto hereby expressly and irrevocably consent and submit to the non-exclusive jurisdiction of any competent court in the place of its domicile and any United States Federal court sitting in the Borough of Manhattan, City and State of New York, and expressly and irrevocably waive, to the extent permitted under applicable law, any immunity from the jurisdiction thereof and any claim or defense in such suit, action or proceeding based on a claim of improper venue, forum non conveniens or any similar basis to which it might otherwise be entitled.

7.4. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE

PARTIES HERETO HEREBY WAIVE AND COVENANT THAT THEY WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING OR WHETHER IN CONTRACT OR TORT OR OTHERWISE. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTY HERETO THAT THE PROVISIONS OF THIS SECTION CONSTITUTE A MATERIAL INDUCEMENT UPON WHICH THE OTHER

PARTY HERETO HAS RELIED, IS RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT AND ANY DOCUMENT RELATED THERETO. EACH PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE OTHER PARTY HERETO TO THE WAIVER OF ITS RIGHTS TO TRIAL BY JURY.

7.5. Entire Agreement. Except as expressly set forth herein, this Agreement

and the Pledge Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, among the parties with respect to the subject matter of this Agreement.

7.6. Amendments; Waivers. Any provision of this Agreement may be amended

or waived prior to the Closing if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Purchaser, Seller and ML & Co. or, in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

7.7. Successors, Assigns. The provisions of this Agreement shall be

binding upon and accrue to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Notwithstanding the foregoing, neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by any party hereto without the prior written consent of the other parties hereto.

7.8. No Third Party Rights. This Agreement is not intended and shall not

be construed to create any rights in any person other than Seller, Purchaser and
ML & Co. and no person shall assert any rights as third party beneficiary
hereunder.

7.9. Application of Bankruptcy Code. The parties hereto acknowledge and

agree that this Agreement is a "securities contract", as such term is defined in
section 741(7) of Title 11 of the United States Code (the "Bankruptcy Code"),
entitled to the protection of Section 555 of the Bankruptcy Code.

7.10. Counterparts. This Agreement may be signed in any number of

counterparts, each of which shall be an original, with the same effect as if the
signatures thereto and hereto were upon the same instrument.

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IN WITNESS WHEREOF, the parties have signed this Agreement as of the date
and year first above written.

PURCHASER:

SELLER:

MERRILL LYNCH MORTGAGE
CAPITAL INC.

GVI HOLDINGS, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

MERRILL LYNCH & CO., INC.

By _____
Name:
Title:

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