

ness so converted to the date of conversion plus (ii) the market value of any fraction of a share of Common Stock called for on such conversion, and

C. A new registered Bond or Bonds of the 1977 Series without coupons, which shall be entitled to no further rights of conversion, dated as of the last semi-annual interest payment date to which interest has been paid on the Bond surrendered, representing the balance of the principal amount of the indebtedness evidenced by such surrendered Bond.

The Trustee, upon delivery to it of (a) the surrendered Bond, (b) the new registered Bond or Bonds without coupons and (c) a request of the Company stating that the convertible portion of the principal amount of the indebtedness evidenced by the surrendered Bond has been converted and requesting the authentication of such new registered Bond or Bonds without coupons to evidence the balance of the principal amount of the indebtedness evidenced by the surrendered Bond, shall cancel the surrendered Bond and authenticate such new Bond or Bonds and deliver the same to or upon the order of the Company.

SECTION 6.03. Conversion of the convertible portion of the indebtedness evidenced by any Bond of the 1977 Series into Common Stock, as aforesaid, shall be deemed to have been made as soon as such Bond shall have been surrendered for conversion in the manner herein provided, so that the rights of the holder of such Bond in respect of the principal indebtedness thereof so to be converted shall cease at such time, and the person or persons entitled to receive the shares of Common Stock upon conversion of such portion of the principal indebtedness evidenced by such Bond shall be treated for all purposes as having become the record holder or holders of such shares of Common Stock at such time; provided, however, that during any period when the stock transfer books of the Company are closed for any purpose the Company shall not be required to issue such Common Stock and no conversion shall be effective to require such issuance during such period, but the surrender of any Bond for conversion during any such period shall become effective for the purpose of such conversion imme-

diately upon the reopening of such books as if the conversion had been made on the date such Bond was surrendered.

SECTION 6.04. The holder of any Bond of the 1977 Series representing more than one unit of conversion may at his option exercise the right of conversion in respect of any one or more such units of conversion and not in respect of the remainder thereof, and to receive on surrender of such Bond for such purpose

A. The shares of Common Stock and the Bond or Bonds and cash to which he is entitled under the provisions of Section 6.02 in respect of the units of conversion as to which the right of conversion has been exercised, and

B. A new Bond or Bonds of the 1977 Series for the remaining principal amount of Bonds in respect of which the right of conversion is not so exercised.

SECTION 6.05. For the protection of the privilege of conversion, the conversion price and the number of shares of Common Stock issuable upon conversion shall be subject to adjustment as hereinafter in this Section provided. Four hundred sixty-five thousand three hundred (465,300) shares of Common Stock (being the number of shares of Common Stock issued and outstanding as of June 30, 1952 plus the number of shares of Common Stock initially reserved for conversion of Bonds of the 1977 Series) are hereinafter referred to as the "basic shares", and all other shares of Common Stock issued (or deemed to be issued, as hereinafter provided) are hereinafter referred to as "additional shares."

(a) Any provision hereof to the contrary notwithstanding the Company will not at any time during the existence of the right of conversion issue or sell any shares of Common Stock for a consideration substantially less than the lesser of (i) \$6 or (ii) the market price thereof immediately prior to the time of such issue or sale, less, in the case of any public offering of such stock (including such an offering to stockholders generally), any commission or other expenses reasonably incurred in connection therewith and any reduction in price which may be deemed by the Company necessary or advisable to effect a successful public offering.