

ARTICLE VI.

Conversion of Securities on Consolidation.

The manner of converting the outstanding shares of the capital stock of each of the constituent corporations into shares of capital stock of the Consolidated Corporation shall be as follows:

Capital Stock of Palmetto State Life Insurance Company

Each share of the \$2.50 par value capital stock of Palmetto State Life Insurance Company outstanding on the effective date of the consolidation shall be one share of the \$2.50 par value capital stock of the Consolidated Corporation.

Capital Stock of Franklin National Life Insurance Company

Each share of \$10 par value capital stock of Franklin National Life Insurance Company outstanding on the effective date of the consolidation shall be converted into two and five one hundredths (2.05) shares of the \$2.50 par value capital stock of the Consolidated Corporation. Certificates for fractional shares of capital stock of the Consolidated Corporation will not be issued to the stockholders of Franklin National Life Insurance Company in connection with such conversion, but, in lieu thereof, the Treasurer of the Consolidated Corporation, acting as agent for the stockholders of Franklin National Life Insurance Company entitled to receive fractional shares, will sell for the respective accounts of such stockholders the shares representing the aggregate of the fractional shares resulting from such conversion to the highest bidder in one lot at auction for cash at the principal office of the Consolidated Corporation, 1310 Lady Street, Columbia, South Carolina, at 11:00 o'clock A. M. on the 17th day of October, 1957, or on the 10th day after the effective date of the consolidation, whichever day shall be the later to occur.

Exchange of Certificates

After the effective date of the consolidation, each holder of an outstanding certificate or certificates theretofore representing capital stock of Franklin National Life Insurance Company shall be entitled upon the surrender of such certificate or certificates at the office or agency of the Consolidated Corporation designated for the purpose, to receive in exchange therefor a certificate or certificates representing the number of whole shares of \$2.50 par value capital stock of the Consolidated Corporation resulting from the conversion, as provided in this Article VI, of the shares of capital stock of Franklin National Life Insurance Company theretofore represented by the certificate or certificates so surrendered.

(Continued on Next Page)