

ARTICLE 3.
Redemption of Bonds.

§3.01. In the creation of any particular series of bonds hereunder, the Company may reserve the right to pay and redeem before maturity all of the bonds of such series as an entirety, or, at the option of the Company, any part thereof, at such time or times and at such price or prices and on such terms and notice as the Board of Directors of the Company may determine (subject to the provisions contained in §1.24 and in the form of bonds hereinbefore recited in the case of the 4½% Series due 1967) and as shall be appropriately specified in each of the bonds of such series and/or in the resolutions or supplemental indenture providing for the creation of such series. Except as modified by or inconsistent with any such resolution and/or supplemental indenture as to any series of the bonds hereafter created, the terms of each such redemption and manner of giving notice thereof shall be as hereinafter in this Article provided.

§3.02. In case a part only of the bonds of a series is to be paid and redeemed as above provided, the particular bonds (which may include a portion of a registered bond without coupons, but in any such case \$1,000 or a multiple thereof) to be redeemed shall be determined by lot, in such manner as the Trustee in its uncontrolled discretion shall determine to be fair.

§3.03. In case the Company shall desire to exercise such right to redeem and pay all or, as the case may be, any part of the bonds of a particular series, in accordance with the right reserved so to do, it shall give notice of its intention to pay and redeem such bonds and of the time when and the place where the same shall be payable and redeemable, by publication in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, City and State of New York, at least once in each week (beginning on any day of the week) for at least three successive weeks (the first publication to be made at least thirty and not more than sixty days prior to the date so fixed for redemption), specifying in said notice the series and numbers of the bonds so to be redeemed, if less than all are to be redeemed, and the date fixed for redemption. Said notice shall state that the interest on the bonds called for redemption shall cease to accrue on the designated redemption date, and shall require that the bonds called for redemption be then presented for payment and redemption. If any of the bonds to be redeemed in whole or in part are registered, similar notices, addressed to the persons respectively who shall appear on the bond register of the Company to be registered owners thereof at their addresses as the same shall appear, if at all, upon such bond register, shall be deposited by the Company in the United States mail, postage prepaid, within the period fixed for the first publication of notice of such redemption, but, if the notice of redemption be published, such mailing shall not be a condition precedent to such redemption, and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of such bonds.

§3.04. On or before the redemption date designated in such notice the Company will deposit or cause to be deposited with the Trustee, or will irrevocably direct the Trustee to apply from cash deposited with it and available for the redemption of bonds, an amount of cash equivalent to the redemption price of the bonds and portions thereof so called, and the accrued interest unpaid on the principal amount of the bonds and portions thereof so called to the date designated in the call, and all proper expenses and charges payable to the Trustee hereunder. The amount of cash so deposited with the Trustee or so directed to be applied by it, if equal in amount to the redemption price and accrued interest unpaid on all the bonds and portions thereof so called, and all expenses and charges payable hereunder, shall on and after the date so designated stand in lieu of the security of this Indenture with respect to all bonds or portions thereof so called, and such bonds or such portions thereof shall not thereafter be entitled to the benefits of this

Indenture and shall be deemed to have been retired and not to be outstanding hereunder, except that said amount of cash shall, for the period specified in §4.04, be held by the Trustee for and be paid by it to the holders of said bonds as and when the same with all coupons thereto appertaining, maturing on and after said redemption date, if an interest payment date, and, if not an interest payment date, maturing after said date of redemption, shall be surrendered to said Trustee at any time thereafter.

§3.05. In the event that the principal of any of the bonds or portions thereof called for redemption is payable in a city or cities where the Trustee does not have an office, the Trustee may appoint any bank, trust company or national bank located in such city as depository of the moneys deposited under §3.04 in respect of the bonds the principal of which is payable in such city or cities, and may deposit such moneys with the depository so appointed, to be applied as in §3.04 provided. After such deposit, unless made with it, the Trustee shall not be under any further liability in respect of the application of said moneys.

§3.06. In case of any call of bonds for redemption hereunder, the bonds and the portions thereof so called for redemption shall on the date stated in such call become and be due and payable at their redemption price and from and after said date interest shall cease to accrue on said bonds and portions thereof, unless payment to the holders thereof is refused upon presentation at the place where the principal thereof is expressed to be payable, pursuant to such call due notice thereof under the terms of this Indenture having been given. The withholding of payments, during such time as may be reasonably required by the Trustee or the Company to satisfy itself as to the right of any demandant to receive the same, shall not be deemed a refusal to pay.

§3.07. Upon the surrender of any bonds so called for redemption, at the place or any of the places where the principal thereof is expressed to be payable, together with all coupons thereto appertaining maturing on or after said date of redemption, the Company shall pay or cause to be paid to the holders thereof the redemption price aforesaid. If, in case of partial redemption, there shall be drawn for redemption one or more, but less than all, of the coupon bonds, the serial number or numbers of which shall be endorsed upon a registered bond without coupons, then, upon presentation of such registered bond, the amount payable in respect of the coupon bond or bonds, the number or numbers of which were so drawn for redemption, shall be paid to the registered owner of such registered bond, or upon his order, and the Company shall sign and seal and the Trustee shall thereupon authenticate and deliver to the registered owner thereof, or upon his order, and at the expense of the Company, a new bond or bonds for the principal amount of said surrendered registered bond less the principal amount thereof so paid, having endorsed thereon such of the serial numbers endorsed on the original registered bond as shall not have been drawn for redemption; and, upon written request of any officer of the Company, the Trustee shall authenticate (unless already authenticated) and deliver to the Company (in accordance with §3.08) the reserved coupon bonds bearing the serial number or numbers which were drawn for redemption. If, upon presentation for payment of any coupon bonds so called for redemption, there shall not be surrendered with such bonds the coupons appertaining thereto maturing on such redemption date, if an interest payment date, the Company shall receive such bonds, together with all coupons maturing after such redemption date, and shall pay in respect thereof the redemption price hereinbefore provided, exclusive of unpaid accrued interest, and such coupons maturing on such redemption date shall be paid to the holders upon presentation and surrender thereof at any office where the same are expressed to be payable.

§3.08. All bonds and coupons redeemed as aforesaid shall be cancelled by or under the direction of the Trustee and shall be delivered by the Trustee to the Company upon the written request of any of its officers.