

PIONEER, INC., TACOMA—176359

The Certificate of Organization of Pacific, which was filed in the office of the Secretary of State of the State of Maine on June 16, 1910, as amended by certificates filed in said office on December 29, 1911, February 17, 1915, July 25, 1930, and October 22, 1930, shall become and be the amended Certificate of Organization of the Surviving Corporation, except that the provisions thereof as to the amount of capital stock of Pacific and the kind, number and par value of the shares into which the same is divided shall, on the effective date of this Agreement, become and be amended to provide substantially as stated in the first paragraph of Article III hereof. The amended Certificate of Organization of the Surviving Corporation shall be and read as stated in the attached Exhibit A, which is hereby made a part of this Agreement and incorporated herein with the same force and effect as if herein set forth in full. The Surviving Corporation shall continue to be located in the City of Augusta, County of Kennebec, State of Maine.

ARTICLE III.

CAPITALIZATION OF SURVIVING CORPORATION AND MANNER OF CONVERTING SHARES.

The amount of the total authorized capital stock of the Surviving Corporation shall be 864,815 shares, divided into 114,815 shares of 5% Preferred Stock of the par value of One Hundred Dollars (\$100) per share (hereinafter sometimes referred to as the "New Preferred Stock") and 750,000 shares of Common Stock without par value, the designations, preferences, voting powers, restrictions and qualifications thereof to be as fixed and determined in the By-laws.

The manner of converting the shares of each Constituent Corporation (except the shares of holders who dissent from or vote against the action of their respective corporations in entering into this Agreement) into shares of the Surviving Corporation shall be as follows:

(a) Each share of the 6% and \$6 Preferred Stocks of Northwestern and Pacific outstanding upon the effective date of this Agreement shall be converted, upon such date, into one share of the New Preferred Stock of the Surviving Corporation and there shall be paid to the holder thereof a cash adjustment in an amount which, together with the dividend receivable on the New Preferred Stock, will give each such holder a dividend at the rate of 6% or \$6 per annum, as the case may be, up to the effective date of this Agreement.

(b) Each share of the 7% Preferred Stocks of Northwestern and Pacific outstanding upon the effective date of this Agreement shall be converted, upon such date, into one share of the New Preferred Stock of the Surviving Corporation and there shall be paid to the holder thereof a cash adjustment of \$5, plus an amount which, together with the dividend receivable on the New Preferred Stock, will give each such holder a dividend at the rate of 7% per annum up to the effective date of this Agreement.

(c) 45,700 shares of Northwestern's Common Stock of the par value of \$35 per share (being all of Northwestern's Common Stock remaining outstanding after the surrender by American Power & Light Company to Northwestern of 54,300 shares of such Common Stock as a gratuitous contribution to the capital of Northwestern) and 1,000,000 shares of Pacific's Common Stock without par value, all owned by American Power & Light Company, shall be converted, upon the effective date of this Agreement, into 500,000 shares of Common Stock without par value of the Surviving Corporation. In connection with such conversion of shares of Common Stock of Northwestern and Pacific owned by American Power & Light Company and as a part of the plan of merger provided for herein, \$2,100,000 principal amount of Northwestern's 4½% Debentures due 1959, assumed by Pacific as a result of the merger (and now owned by American Power & Light