

PIONEER, INC., TACOMA—176359

fixed by its Board of Directors or Executive Committee and accepted by the holders of the stock purchased, and may resell any stock so purchased at such price as may be fixed by its said Board of Directors or Executive Committee, but in case the stock so purchased is subject to redemption, the price paid therefor shall not exceed the price at which it is redeemable.

(n) In order to acquire funds with which to make any redemption or purchase of stock herein authorized, the Company may, subject to the limitations or requirements provided above in this Section 5, issue and sell common stock or preferred stock of any class then authorized but unissued, bonds, notes or other evidences of indebtedness convertible or not into common stock or stock of any other class then authorized but unissued.

SECTION 6. Upon any issue for money or other consideration of any stock of the Company that may be authorized from time to time, no holder of stock irrespective of the kind of such stock shall have any preemptive or other right to subscribe for, purchase or receive any proportionate or other share of the stock so issued, but the Board of Directors may dispose of all or any portion of such stock as and when it may determine free of any such rights, whether by offering the same to stockholders or by sale or other disposition as said Board may deem advisable; provided, however, that if the Board of Directors shall determine to offer any new or additional shares of Common Stock, or any security convertible into Common Stock, for money, other than by a public offering of all of such shares or an offering of all of such shares to or through underwriters or investment bankers who shall have agreed promptly to make a public offering of such shares, the same shall first be offered pro rata to the holders of the then outstanding shares of Common Stock of the Company upon terms not less favorable to the purchaser (without deduction of such reasonable compensation, allowance or discount for the sale, underwriting or purchase as may be fixed thereafter by the Board of Directors) than those on which the Board of Directors issues and disposes of such stock or securities to other than such holders of Common Stock; and provided further, that the time within which such preemptive rights shall be exercised may be limited by the Board of Directors to such time as to said Board may seem proper, not less, however, than twenty days after mailing of notice that such stock rights are available and may be exercised. The consideration received by the Company from the issuance and sale of any additional shares of Common Stock without par value shall be entered in the capital stock account. The foregoing provisions of this Section 6 shall not be changed unless the holders of record of not less than two-thirds (2/3rds) of the number of shares of Common Stock then outstanding shall consent thereto in writing or by voting therefor in person or by proxy at the meeting of stockholders at which any such change is considered.

The Company may issue and dispose of any of its authorized shares for such consideration as may be fixed by the Board of Directors subject to the laws then applicable.

SECTION 8. Subject to the provisions of Sections 5 and 6 hereof:

(1) the management of the Company shall be vested in a board of fifteen (15) directors, who shall be elected annually by the stockholders by ballot by a majority vote of all outstanding stock entitled to vote, to hold office until their successors are elected and qualify;

(2) subject to any rights then existing by applicable law with respect to cumulative voting, the stockholders at any meeting by a majority vote<sup>of</sup> all the outstanding stock entitled to vote at an election of directors may remove any director and fill the vacancy;

(3) any other vacancies in the Board of Directors, except vacancies in the Board of Directors caused by an increase in the number of directors, may be filled by the