

dividends or assets in any year subsequent to December 31, 1963 in which as of the close of any calendar quarter the Common Stock equity of the Company is less than 25% of the total capitalization of the Company.

The term "Common Stock equity of the Company" shall mean, at any date as of which the amount thereof is to be determined, the aggregate of the amount of the Common Stock liability of the Company, plus (or minus in the case of a deficit) the capital surplus applicable to the Common Stock and earned surplus of the Company, plus any premium on Common Stock of the Company, all as determined in accordance with sound accounting practice.

The term "total capitalization of the Company" shall mean, at any date as of which the amount thereof is to be determined, the aggregate of (a) the amount of the capital stock liability of the Company, plus (or minus in the case of a deficit) the capital surplus and earned surplus of the Company, plus any premium on capital stock of the Company of any class, all as determined in accordance with sound accounting practice and (b) the aggregate principal amount of all funded debt of the Company outstanding at such date. The term "funded debt" shall mean all indebtedness of the Company which matures by its terms, or is renewable at the option of the obligor to a date, more than one year after the date of its creation or incurring by the Company.

So long as any of the bonds of any of the present series are outstanding, the Company will not at any time after October 1, 1958 issue any shares of any class of stock of the Company ranking prior to the Common Stock in respect of dividends or assets the terms of which shall require the redemption of said stock by the operation of a sinking fund at a rate more rapid than that applicable to any of the Company's Preferred Stock outstanding on October 1, 1958.

For the purposes of this Section, the amount of any dividend declared or distribution or payment made in property of the Company shall be deemed to be the book value of such property at the time of declaration in the case of dividends, or at the date of distribution or payment in any other case.

The Company will not permit any subsidiary or any controlled corporation to purchase any shares of any class of stock of the Company from any person other than the Company.