

CAPITAL STOCK OF PARBAK, INC.

Each share of the \$1.00 par value capital stock of Parbak, Inc., outstanding on the effective date of the consolidation shall be converted into twenty shares of the \$1.00 par value capital stock of the consolidated corporation.

Article VII.

EXCHANGE OF CERTIFICATES

After the effective date of the consolidation, each stockholder of an outstanding certificate or certificates theretofore representing capital stock of Parbak, Inc., 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, therefore, a certificate or certificates representing the number of shares of \$1.00 par value capital stock of the consolidated corporation resulting from the conversion as above provided.

Certificates representing shares of \$1.00 par value capital stock of National Pharmaceuticals, Inc., outstanding upon the effective date of the consolidation need not be surrendered in exchange for new certificates. After the effective date of consolidation such certificates shall represent shares of \$1.00 par value capital stock of the consolidated corporation as herein provided.

Article VIII.

Prohibited Actions

Prior to the effective date of consolidation, Parbak, Inc., shall not issue or sell rights to subscribe to or purchase any shares of its capital stock and neither shall it declare or pay any dividends nor redeem or otherwise retire any shares of its outstanding capital stock nor enter into any transactions of any type other than in the ordinary course of business unless three-fourths of the designated Board of Directors of the consolidated corporation shall agree to such in writing.

Article IX.

Effect of Consolidation

This agreement shall be submitted to the stockholders of each of the constituent corporations as provided by the laws of the

(Continued on Next Page)