

thereof, shall be entitled to receive, in lieu of the Common Shares to which he would have become entitled upon conversion immediately prior to such reorganization or reclassification, the shares (of any class or classes) or other securities or property of the corporation to which the holders of such Common Shares would have been entitled upon such reorganization or reclassification; and in any such case, appropriate provision (as determined by the Board of Directors of the corporation) shall be made for the application of this Paragraph 4 with respect to the rights and interests thereafter of the holders of Preferred Shares, to the end that this Paragraph 4 (including the adjustments of the conversion rate) shall thereafter be reflected, as nearly as reasonably practicable, in all subsequent conversions of Preferred Shares into any shares or securities or other property thereafter deliverable upon the conversion of Preferred Shares.

(7) Whenever the conversion rate is adjusted pursuant to any of the foregoing provisions of this Paragraph 4, the corporation shall forthwith prepare a written statement signed by the President or a Vice President and the Treasurer or an Assistant Treasurer of the corporation, setting forth the adjusted conversion rate determined as provided in this Paragraph 4, and in reasonable detail the facts requiring such adjustment. Such statement shall be filed among the permanent records of the corporation and a copy thereof shall be furnished to the Transfer Agent for the Preferred Shares and to any holder of Preferred Shares requesting the same, and shall at all reasonable times during business hours be open to inspection by the holders of Preferred Shares. The corporation shall also promptly cause a notice, stating that such an adjustment has been effected and setting forth the adjusted conversion rate, to be either (a) mailed, first-class postage prepaid, to all holders of record of outstanding Preferred Shares, at their addresses as the same appear on the stock records, or (b) published once in a daily newspaper in the City of New York, N. Y., except that in no event shall the corporation be required to give more than one such notice in any period of 30 days.

C. In case the corporation shall, while any Preferred Shares remain outstanding, enter into any consolidation with or merge into any other corporation wherein the corporation is not the surviving corporation, or sell or convey its property as an entirety or substantially as an entirety, and in connection with such consolidation, merger, sale or conveyance shares or other securities shall be issuable or deliverable in exchange for Common Shares, proper provision shall be made that, on the terms and in the manner provided in this Paragraph 4, the holder of any Preferred Shares may thereafter convert the same into the same kind and amount of securities as may be issuable by the terms of such consolidation, merger, sale or conveyance with respect to the number of Common Shares into which such Preferred Shares are convertible at the time of such consolidation, merger, sale or conveyance. After any such consolidation, merger, sale or conveyance, the right of conversion shall be to convert the Preferred Shares into such securities as the same may from time to time be constituted.

D. In case the corporation proposes

(1) to pay any dividend payable in shares (of any class or classes) upon