

ARTICLE II

Capital Stock of the Surviving Corporation

2.01 The manner of converting the shares of the Constituent Corporations into shares of the Surviving Corporation and the amount of securities of Sun (Pa) which is to be paid or delivered to Sun (NJ) shareholders upon conversion of and in exchange for their shares of Sun (NJ)'s Common Stock, \$1 par value, and for their shares of Sun (NJ)'s \$2.25 Cumulative Convertible Preferred Stock (hereinafter sometimes referred to respectively as "Sun (NJ)'s Common Stock" and "Sun (NJ)'s Preferred Stock"), shall be as hereinafter set forth in this Article II.

2.02 Each share of Common Stock, \$1 par value per share, of Sun of Penna. issued and outstanding immediately prior to the Effective Date of the Merger, and all rights in respect thereto, shall upon the Effective Date of the Merger, by virtue of the merger and without action on the part of the holder thereof, be and remain one share of Common Stock, \$1 par value per share, of Sun of Penna. Each such share of Common Stock shall be fully paid and non-assessable.

2.03 Each share of Common Stock, \$1 par value per share, of Sun (Pa) (hereinafter sometimes referred to as "Sun (Pa)'s Common Stock") issued and outstanding and owned by Sun (NJ) immediately prior to the Effective Date of the Merger shall upon the Effective Date of the Merger be canceled.

2.04 All shares of Sun (NJ)'s Common Stock and Sun (NJ)'s Preferred Stock issued and outstanding and owned by any wholly-owned (direct or indirect) subsidiary of Sun (NJ) immediately prior to the Effective Date of the Merger, and all shares of Sun (NJ)'s Preferred Stock held by Sun (NJ) immediately prior to the Effective Date of the Merger, be canceled.

2.05 Each share of Sun (NJ)'s Common Stock issued and outstanding and each share of Sun (NJ)'s Common Stock issued and held by Sun (NJ) as treasury stock immediately prior to the Effective Date of the Merger (exclusive of shares canceled pursuant to Section 2.04 hereof), and all rights in respect thereof, be exchanged for and automatically converted into and become one share of fully paid and non-assessable Common Stock of Sun (Pa). Each share of Sun (NJ)'s Preferred Stock issued and outstanding immediately prior to the Effective Date of the Merger (exclusive of shares canceled pursuant to Section 2.04 hereof), and all rights in respect thereof, shall upon the Effective Date of the Merger, by virtue of the merger and without action on the part of the holder thereof, be exchanged for and automatically converted into and become one share of fully paid and non-assessable \$2.25 Cumulative Convertible Preferred Stock on Sun (Pa) (hereinafter sometimes referred to as (Sun (Pa)'s Preferred Stock') From and after the Effective Date of the Merger, each certificate which, prior to the Effective Date of the Merger, represented shares of Sun (NJ) shall evidence ownership of Common Stock or Preferred Stock of Sun (Pa) on the basis hereinbefore set forth. The aforesaid exchange and conversion shall be complete and effective on the Effective Date of the Merger without regard to the date or dates upon which outstanding certificates representing Sun (NJ)'s Common Stock and Preferred Stock are surrendered for certificates representing Sun (Pa)'s Common Stock and Sun (Pa)'s Preferred stock, respectively.

2.06 In the event that Sun (NJ) shall be obligated by contract immediately prior to the Effective Date of the Merger to issue any shares of its Common Stock or Preferred Stock, the Surviving Corporation shall be obligated to deliver Sun (Pa)'s Common Stock or Preferred Stock, respectively, as set forth in Section 2.05 hereof in lieu of each such share of Sun (NJ) stock.