

Treasury of any of the Subsidiary Companies, except such Bonds as may have been previously marketed and bought in by it or them. In the drawing of Bonds by lot to be redeemed by the Sinking Fund Agent for the account of the Sinking Fund, the Sinking Fund Agent shall exclude from the Bonds subject to drawing, any Bonds of Series "A" secured hereby and so held (without previous marketing) in the Company's Treasury or in the Treasury of the Subsidiary Companies. Prior to such drawing by lot the Company shall forthwith, upon request of the Sinking Fund Agent, deliver to the Sinking Fund Agent a statement showing the numbers of the Bonds of Series "A" secured hereby and so held (without previous marketing) in the Company's Treasury or in the Treasury of any of the Subsidiary Companies.

ARTICLE VI.

CONVERSION.

SECTION 1. The Company covenants and agrees that any bearer or registered holder of Bonds of Series "A" shall have the right and privilege, to be exercised in the manner and subject to the terms and provisions of this Article VI, to convert any of the Bonds of Series "A" into shares, of the par value of \$100 each, of the Eight Per Cent. Cumulative Preferred Stock of the Company as such stock is now existing on the basis of the Sinking Fund redemption price then in effect for the Bonds and of par for the preferred stock, with cash adjustment of accrued interest and dividends, upon surrender to the Trustee at its principal office in the Borough of Manhattan, City of New York, of the Bond or Bonds to be converted with (in the case of Coupon Bonds) all interest coupons maturing subsequently to the date of conversion and (in the case of Registered Bonds or of Coupon Bonds which shall at the time be registered as to principal) accompanied by duly executed assignments or transfer powers; and upon such surrender the Trustee shall deliver from stock and scrip certificates furnished to it by the Company for that purpose to such bearer or registered holder, or to his nominees, stock certificates representing the number of shares of eight Per Cent. Cumulative Preferred Stock of the Company into which the Bonds so surrendered shall be convertible upon the basis above set forth, together with a scrip certificate in respect of any fraction of a share resulting upon such conversion.

SECTION 2. (a) At the time of the execution of this Indenture, the company has furnished to the Trustee to be held by it solely for conversion purposes, a certificate or certificates for 483,750 shares of the par value of \$100 each of its Eight Per Cent. Cumulative Preferred Stock, which certificate or certificates have been duly signed and sealed by the duly authorized officers of the company but are undated and with the name of the holder left blank; and from time to time hereafter the Company will furnish the Trustee with similar certificates representing such additional shares of said stock as may be required for the conversion of any additional Series "A" Bonds issued hereunder. The Company covenants and agrees that it will, from time to time as required to effect any such conversion, exchange any stock certificates furnished or to be furnished by it to the Trustee hereunder for such number of stock certificates similarly blank as may be requested by the Trustee of an aggregate number of shares equal to that of the certificate or certificates being exchanged. The Company further covenants and agrees that it will, from time to time, issue and deliver as required to provide for any fractional part of a share resulting from any such conversion, scrip certificates in respect of such fractions as shall be designated by the trustee, aggregating one full share, upon surrender to the Company, of a stock certificate for one full share, furnished or to be furnished by the Company to the trustee hereunder as aforesaid.