

of Bonds of Series C 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 C 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 subsequent 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.

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SECTION 2. The Company agrees at the time of the first application for the authentication of Bonds of Series B to furnish the Trustee with a certificate or certificates in the name of the Trustee or its nominee, duly signed and sealed by the duly authorized officers of the Company and duly countersigned by the registrar and transfer agent of such stock, representing 107,000 shares of such stock, to be held by the Trustee solely for conversion purposes. The Company covenants and agrees that it will, from time to time, as required to effect any such conversion, duly transfer or cause to be transferred any stock certificates to be furnished by it to the Trustee hereunder and so standing in the name of the Trustee or its nominees, and will cause new certificates to be delivered to the Trustee, inscribed in the respective names of the bearer or registered holders of the Bonds surrendered for conversion, or their nominees, as the Trustee shall direct, and it shall deliver the same to the Trustee.

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 the surrender to the Company of a stock certificate duly endorsed for one full share to be furnished by the Company to the Trustee hereunder and held in the name of the Trustee or its nominees as aforesaid.

The Company covenants and agrees that the shares of said stock represented by each and every certificate to be delivered to the bearers or registered holders of the Bonds surrendered for conversion, or their nominees, shall at the time of such delivery be fully paid and non-assessable. The Company further covenants and agrees that it will promptly pay and provide for any and all United States internal revenue stamp taxes and stock transfer taxes of the State of New York and any other taxes which may be payable in respect of any taxable issuance or transfer of any stock or certificates pursuant to the provisions of this Section.

Whenever by reason of (1) the retirement of Bonds of Series C or (2) the reduction of the Sinking Fund Price of Series C Bonds through lapse of time or otherwise, or (3) the retirement other than by conversion of any of the Bonds of Series B (which by their terms are convertible into Bonds of Series C on the basis of par for par, with adjustment for accrued interest) and the filing with the Trustee of a certificate of the Company executed by its President or one of its Vice-Presidents, stating that the Company elects to waive its right pursuant to the provisions of the Original Indenture and any indenture supplemental thereto to have authenticated and delivered an amount of Bonds of Series C not exceeding