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RESTATED  
ARTICLES OF INCORPORATION  
OF  
BANDAG, INCORPORATED

EXHIBIT 3.2

ROTHY J. FITCHNER  
RECORDER  
MUSCATINE CO  
Leo #30-100

Pursuant to the provisions of Section 61 of the Iowa Business Corporation Act, Bandag, Incorporated hereby adopts the following Restated Articles of Incorporation which shall supersede and take the place of the existing restated articles of incorporation:

I. The name of the Corporation is

BANDAG, INCORPORATED

II. The period of existence of the Corporation commenced on the 30th day of December 1957 and its duration is perpetual.

III. The Corporation shall have unlimited power to engage in, and to do any lawful act concerning, any or all lawful businesses for which corporations may be organized under the Iowa Business Corporation Act.

IV. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 30,000,000 shares of common stock having a par value of one dollar (\$1.00) per share consisting of 21,500,000 shares of a class designated "Common Stock" and 8,500,000 shares of a class designated "Class B Common Stock". All shares of the Corporation issued and outstanding immediately prior to the adoption of these Restated Articles of Incorporation and all shares of the Corporation constituting treasury shares immediately prior to the adoption of these Restated Articles of Incorporation shall be designated as Common Stock.

Any and all such shares of Common Stock constituting authorized but unissued shares may be issued for such consideration, not less than the par value thereof, as shall be fixed from time to time by the Board of Directors. The powers, preferences, limitations and relative rights of the Common Stock and the Class B Common Stock shall be as follows:

1. Voting. Except as may otherwise be required by law or except as may be expressly provided for herein, with respect to all matters upon which shareholders are entitled to vote or to which shareholders are entitled to give consent, the holders of the outstanding shares of Common Stock and the holders of the outstanding shares of Class B Common Stock shall vote together as a single class, and every holder of an outstanding share of Common Stock shall be entitled to cast thereon one (1) vote in person or by proxy for each share of Common Stock standing in his name on the stock transfer records of the Corporation, and every holder of an outstanding share of Class B Common Stock shall be entitled to cast thereon ten (10) votes in person or by proxy for each share of Class B Common Stock standing in his name on the stock transfer records of the Corporation.

2. Dividends and Distributions.

(a) Dividends. Holders of Common Stock and Class B Common Stock shall be entitled to share ratably in all such dividends, payable in cash or otherwise, as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefore except that in the case of dividends or other distributions payable in stock of the Corporation, including distributions pursuant to stock split-ups or divisions, which occur after the initial distribution of the Class B Common Stock to holders of Common Stock, only shares of Common Stock shall be distributed with respect to the Common Stock and only shares of Class B Common Stock shall be distributed with respect to the Class B Common Stock.

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(b) *Distributions.* In the event the Corporation shall be liquidated (either partial or complete), dissolved or wound up, whether voluntarily or involuntarily, the holders of the Common Stock and the Class B Common Stock shall be entitled to share ratably, as a single class, in the remaining net assets of the Corporation: that is, an equal amount of net assets for each share of Common Stock and Class B Common Stock.

**3. Restrictions on Transfer of the Class B Common Stock.**

(a) No beneficial owner (as hereinafter defined) of shares of Class B Common Stock (hereinafter referred to as a "Class B Shareholder") may transfer, and the Corporation shall not register the transfer of, shares of Class B Common Stock of such Class B Shareholder, whether by sale, assignment, gift, bequest, appointment or otherwise, except to a Permitted Transferee of such Class B Shareholder. A "Permitted Transferee" shall be defined as (i) the Class B Shareholder; (ii) the spouse of the Class B Shareholder; (iii) any parent and any lineal descendant (including any adopted child) of any parent of the Class B Shareholder or of the Class B Shareholder's spouse; (iv) any trustee, guardian or custodian for, or any executor, administrator or other legal representative of the estate of, any of the foregoing Permitted Transferees; (v) the trustee of a trust (including a voting trust) principally for the benefit of such Class B Shareholder and/or any of his or her Permitted Transferees and (vi) any corporation, partnership or other entity if a majority of the beneficial ownership thereof is held by the Class B Shareholder and/or any of his or her Permitted Transferees. If a Class B Shareholder and all of his or her Permitted Transferees cease, for whatever reason, to hold a majority of the beneficial ownership of any corporation, partnership or other entity specified in clause (vi) above, then any and all shares of Class B Common Stock held by such corporation, partnership or other entity shall automatically, without further deed or action by or on behalf of any party, be deemed to have been transferred to other than a Permitted Transferee with the result that such shares shall be deemed to have been converted into a like number of shares of Common Stock.

(b) Notwithstanding anything to the contrary set forth herein, any Class B Shareholder may pledge his shares of Class B Common Stock to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such shares shall not be transferred to or registered in the name of the pledgee and shall remain subject to the provisions of this Paragraph 3. In the event of foreclosure, realization or other similar action by the pledgee, such pledged shares of Class B Common Stock may only be transferred to a Permitted Transferee of the pledgor or converted into shares of Common Stock, as the pledgee may elect.

(c) Any purported transfer of shares of Class B Common Stock not permitted hereunder shall be void and of no effect. Any purported transferee of shares of Class B Common Stock purported to be transferred in violation of this Paragraph 3 shall have no rights as a shareholder of the Corporation and no other rights against, or with respect to, the Corporation, except the right to receive shares of Common Stock upon the conversion of his or her shares of Class B Common Stock into shares of Common Stock. The Corporation and its transfer agent may, as a condition to the transfer or the registration of a transfer of shares of Class B Common Stock to a purported Permitted Transferee, require the furnishing of such affidavits or other proof as they deem necessary to establish that such transferee is a Permitted Transferee.

(d) The Corporation shall note on the certificates for shares of Class B Common Stock the restrictions on transfer and registration of transfer imposed by this Paragraph 3.

(e) Shares of Class B Common Stock shall be registered in the name(s) of the beneficial owner(s) thereof (as herein defined) and not in "street" or "nominee" names; provided, however, certificates representing shares of Class B Common Stock issued in the initial distribution thereof to holders of the issued and outstanding Common Stock may be registered in the same name and manner as the certificates representing the shares of Common Stock with respect to which the shares of Class B Common Stock are issued. Any shares of Class B Common Stock registered in "street" or "nominee" name may be transferred to the beneficial owner of such shares on the

record date for such initial distribution, upon proof satisfactory to the Corporation and the Transfer Agent that such person was in fact the beneficial owner of such shares on such record date.

(f) For the purpose of this Paragraph J the term "beneficial owner(s)" of any shares of Class B Common Stock shall mean a person or persons who, or entity or entities which, have or share the power, either singly or jointly, to direct the voting or disposition of such shares.

#### 4. Conversion of the Class B Common Stock.

(a) Each share of Class B Common Stock may at any time or from time to time, at the option of the record holder thereof, be converted into one (1) fully paid and nonassessable share of Common Stock. Such conversion right shall be exercised by the surrender of the certificate representing such share of Class B Common Stock to be converted to the Corporation at any time during normal business hours at the principal executive offices of the Corporation (to the attention of the Secretary of the Corporation), or if an agent for the registration or transfer of shares of Class B Common Stock is then duly appointed and acting (said agent being referred to in this Article IV as the "Transfer Agent"), then at the office of the Transfer Agent, accompanied by a written notice of the election by the holder thereof to convert and (if so required by the Corporation or the Transfer Agent) by instruments of transfer, in form satisfactory to the Corporation and to the Transfer Agent, duly executed by such holder or his duly authorized attorney, and transfer tax stamps or funds therefor, if required pursuant to Paragraph 4(e) below.

(b) As promptly as practicable after the surrender for conversion of a certificate representing shares of Class B Common Stock in the manner provided in Paragraph 4(a) above, and the payment in cash of any amount required by the provisions of Paragraph 4(e), the Corporation will deliver or cause to be delivered at the office of the Transfer Agent to, or upon the written order of, the holder of such certificate, a certificate or certificates representing the number of full shares of Common Stock issuable upon such conversion, issued in such name or names as such holder may direct. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the certificate representing shares of Class B Common Stock, and all rights of the holder of such shares as such holder shall cease at such time and the person or persons in whose name or names the certificate or certificates representing the shares of Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Common Stock at such time; provided, however, that in the event any such surrender and payment are made on any date when the stock transfer records of the Corporation shall be closed, the person or persons in whose name or names the certificate or certificates representing shares of Common Stock are to be issued will become the record holder or holders thereof for all purposes immediately prior to the close of business on the next succeeding day on which such stock transfer records are open.

(c) No adjustments in respect of dividends or other distributions shall be made upon the conversion of any share of Class B Common Stock; provided, however, that if a share shall be converted subsequent to the record date for the payment of a dividend or other distribution on shares of Class B Common Stock but prior to such payment, the registered holder of such share at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on such share on the date set for payment of such dividend or other distribution notwithstanding the conversion thereof or the Corporation's default in payment of the dividend or distribution due on such date.

(d) The Corporation covenants that it will at all times reserve and keep available, solely for the purpose of issuance upon conversion of the outstanding shares of Class B Common Stock, such number of shares of Common Stock as shall be issuable upon the conversion of all such outstanding shares; provided, that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of the conversion of the outstanding shares of Class B Common Stock by delivery of purchased shares of Common Stock which are held in the

treasury of the Corporation. The Corporation covenants that if any shares of Common Stock required to be reserved for purposes of conversion hereunder require registration with or approval of any governmental authority under any federal or state law before such shares of Common Stock may be issued upon conversion, the Corporation will cause such shares to be duly registered or approved, as the case may be. The Corporation will endeavor to list the shares of Common Stock required to be delivered upon conversion prior to such delivery upon each national securities exchange, if any, upon which the outstanding Common Stock is listed at the time of such delivery. The Corporation covenants that all shares of Common Stock which shall be issued upon conversion of the shares of Class B Common Stock will, upon issue, be fully paid and nonassessable and not subject to any preemptive rights.

(e) The issuance of certificates for shares of Common Stock upon conversion of shares of Class B Common Stock shall be made without charge for any stamp or other similar tax in respect of such issuance. However, if any such certificate is to be issued in a name other than that of the record holder of the share or shares of Class B Common Stock converted, the person or persons requesting the issuance thereof shall pay to the Corporation the amount of any tax which may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid.

(f) The outstanding shares of Class B Common Stock shall be deemed without further act on anyone's part to be immediately and automatically converted into shares of Common Stock, and stock certificates formerly representing outstanding shares of Class B Common Stock shall thereupon and thereafter be deemed to represent a like number of shares of Common Stock in each of the instances set forth below.

(i) All outstanding shares of Class B Common Stock shall be automatically converted into shares of Common Stock if and when the number of issued and outstanding shares of Class B Common Stock is less than two percent (2%) of the aggregate number of shares of Common Stock and Class B Common Stock then outstanding.

(ii) All of the outstanding shares of Class B Common Stock shall be converted to Common Stock if and when the number of shares of the Corporation's Common Stock and Class B Common Stock owned by the Carver Family (as herein defined) falls below twenty percent (20%) of the aggregate number of shares of Common Stock and Class B Common Stock then issued and outstanding; provided, however, that no such automatic conversion shall occur pursuant to this subparagraph (ii) unless (a) five (5) years have elapsed since the initial distribution of the Class B Common Stock, and (b) after the expiration of the five-year period referred to in (a) above, the Carver Family's ownership thereafter remains below twenty percent (20%) of the aggregate number of shares of Common Stock and Class B Common Stock then issued and outstanding for a period greater than one year from the most recent date on which such ownership falls below twenty percent (20%).

(iii) All of the outstanding shares of Class B Common Stock shall be converted to Common Stock after the expiration of a fifteen (15) year period commencing on the date of the initial distribution of the Class B Common Stock; provided, however, the Board of Directors may extend the existence of the Class B Common Stock for an additional period of five (5) years upon the approval of a majority of the independent directors, as defined below. In no event shall the Class B Common Stock remain outstanding longer than twenty (20) years after the date of the initial distribution of the Class B Common Stock.

(iv) For the purposes of this Paragraph (f), "independent director" is a director who, at the time of determination, and at any time within the three years preceding such time, was not employed by the Corporation or any of its subsidiaries in any capacity and who is not (i) a surviving spouse of Roy J. Carver, (ii) a brother or sister of a surviving spouse of Roy J. Carver or a child (including an adopted child) of any such person, (iii) a lineal descendant of Roy J. Carver, (iv) a spouse of a lineal descendant of Roy J. Carver, (v) a brother-in-law or

sister-in-law of a lineal descendant of Roy J. Carver and (vi) a brother or sister of Roy J. Carver or a child (including an adopted child) of any such person. For purposes of this Paragraph (f), "Carver Family" shall mean (i) Lucille A. Carver widow of Roy J. Carver, (ii) the Estate of Roy J. Carver, (iii) the lineal descendants of Roy J. Carver and their spouses, (iv) executors and administrators of the estate of Lucille A. Carver and the estates of lineal descendants of Roy J. Carver and their spouses, (v) trusts in which Lucille A. Carver, the lineal descendants of Roy J. Carver and their spouses are entitled, in the aggregate, to at least a majority of the beneficial interest therein, (vi) any beneficiary of any such trust to whom shares subject to such trust are subsequently distributed and lineal descendants of any such beneficiary, (vii) any corporation in which a majority of the outstanding voting shares are beneficially owned by Lucille A. Carver, the lineal descendants of Roy J. Carver and their spouses, and (viii) any partnership in which a majority of the partnership interests are beneficially owned by Lucille A. Carver, the lineal descendants of Roy J. Carver and their spouses. For purposes of the foregoing definitions in this subparagraph (iv), the terms "lineal descendant" and "lineal descendants" includes an adopted child and adopted children, respectively.

5. *Subsequent Issuance of Class B Common Stock.* Following the initial distribution of the Class B Common Stock to the holders of the issued and outstanding Common Stock of the Corporation, the Board of Directors may only issue shares of the Class B Common Stock in the form of a distribution or distributions pursuant to a stock dividend on or split-up of the shares of the Class B Common Stock and only to the then record holders of the issued and outstanding shares of the Class B Common Stock in conjunction with and in the same ratio as a stock dividend on or split-up of the shares of the Common Stock.

6. *Preemptive Rights Denied.* No holder of shares of any class of stock of the Corporation shall possess any preemptive right to acquire additional shares of any class or treasury shares of the Corporation, or obligations of the Corporation convertible into such shares, whether now or hereafter authorized.

7. *Supermajority Voting.* Any proposal that the Corporation (1) enter into a merger or consolidation with any person, or (2) sell, lease, transfer, exchange, mortgage, pledge or otherwise dispose of all or a substantial portion of its assets or business to any person, or (3) issue voting securities of the Corporation in exchange or payment for the securities or assets of any person, or (4) be liquidated or dissolved, and any proposal that the shareholders increase or decrease the number of directors of the Corporation, however effectuated, shall require for approval the affirmative vote of the holders of not less than seventy-five per cent (75%) of the votes entitled to be cast. Provided, however, that the foregoing shall not apply to any such proposal which has been approved by the affirmative vote of not less than two-thirds of the directors of the Corporation nor to any merger, consolidation or sale of assets or business or the issuance of voting securities between the Corporation and another corporation fifty per cent (50%) or more of the voting shares of which is owned by the Corporation. For the purposes of this Article, the term "person" includes all individuals and other legal entities, including corporations, partnerships, trusts and estates.

V. The number of directors of the Corporation shall be such as from time to time shall be fixed by, or in the manner provided in, the By-Laws, but in no event less than three. The directors shall be divided into three classes as nearly equal in number as possible, with the terms of office of one class expiring each year. Following expiration of terms for which they were elected, each class of directors shall be elected for a three-year term. During the intervals between annual meetings of shareholders, any vacancy occurring in the Board of Directors caused by resignation, removal, death or incapacity, and any newly created directorships resulting from an increase in the number of directors shall be filled by a majority vote of the directors then in office, whether or not a quorum. Each director chosen to fill a newly created directorship or to fill a vacancy shall hold office until the next annual meeting of the shareholders. At each annual meeting of the shareholders the number of directors to be elected shall be so apportioned among the classes as to make all classes as nearly equal in number as possible.



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**ARTICLES OF AMENDMENT**

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THESE ARTICLES OF AMENDMENT are filed on behalf of BANDAG, INCORPORATED, an Iowa corporation ("Corporation"), pursuant to Section 490.1006 of the Iowa Business Corporation Act. Pursuant thereto, the undersigned states as follows:

1. The name of the Corporation is Bandag, Incorporated, a for-profit Iowa corporation.
2. Pursuant to these Articles of Amendment, Article IV of the current Restated Articles of Incorporation is hereby amended in its entirety to read as set forth in Exhibit A hereto (the "Amendment").
3. The Amendment does not provide for an exchange, reclassification or cancellation of the Corporation's issued shares of Common Stock or Class B Common Stock.
4. The Amendment was approved by the shareholders of the Corporation on May 6, 1992, at the Annual Meeting of Shareholders. Further information regarding the vote is set forth below:

Class	Outstanding Shares on Record Date	Number of Votes Entitled to be Cast	Number of Votes Represented	Number of Votes Cast For	Number of Votes Cast Against
Common Stock	11,456,094	11,456,094	9,829,411	9,805,357	981,503
Class B Common Stock	2,412,577	24,125,770	23,421,640	23,395,410	17,860

The number of votes cast by each class was sufficient for approval of the Amendment by each class pursuant to Sections 490.1003(5), 490.725 and 490.726 of the Iowa Business Corporation Act.

These Articles of Amendment are executed on behalf of the Corporation as of the 6th day of May, 1992

**BANDAG, INCORPORATED**

By: Martin G. Carver  
 Martin G. Carver,  
 President

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EXHIBIT A

IV. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 80,000,000 shares of common stock having a par value of one dollar (\$1.00) per share consisting of 21,500,000 shares of a class designated "Common Stock", 8,500,000 shares of a class designated "Class B Common Stock" and 50,000,000 shares of a class designated "Class A Common Stock".

Any and all such shares of Common Stock and Class A Common Stock constituting authorized but unissued shares may be issued for such consideration, not less than the par value thereof, as shall be fixed from time to time by the Board of Directors. The powers, preferences, limitations and relative rights of the Common Stock, the Class B Common Stock and the Class A Common Stock shall be as follows:

1. *Voting* Except as may otherwise be required by law or except as may be expressly provided for herein, with respect to all matters upon which shareholders are entitled to vote or to which shareholders are entitled to give consent, the holders of the outstanding shares of Class A Common Stock shall have no voting rights and shall not vote, the holders of the outstanding shares of Common Stock and the holders of the outstanding shares of Class B Common Stock shall vote together as a single class, and every holder of an outstanding share of Common Stock shall be entitled to cast thereon one (1) vote in person or by proxy for each share of Common Stock standing in his name on the stock transfer records of the Corporation, and every holder of an outstanding share of Class B Common Stock shall be entitled to cast thereon ten (10) votes in person or by proxy for each share of Class B Common Stock standing in his name on the stock transfer records of the Corporation.

2. *Dividends and Distributions.*

(a) *Dividends.* Holders of Common Stock, Class B Common Stock and Class A Common Stock shall be entitled to share ratably in all such dividends, payable in cash or otherwise, as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefore except that the Board of Directors shall have discretionary authority to declare greater cash dividends on the shares of Class A Common Stock, and except that in the case of dividends or other distributions payable in stock of the Corporation, including distributions pursuant to stock split-ups or divisions, which occur after the initial distribution of the Class B Common Stock to holders of Common Stock and the initial distribution of the Class A Common Stock to holders of Common Stock and Class B Common Stock, only shares of Class A Common Stock shall be distributed with respect to the Class A Common Stock, only shares of Common Stock or Class A Common Stock shall be distributed with respect to the Common Stock, and only shares of Class B Common Stock or Class A Common Stock shall be distributed with respect to the Class B Common Stock.

(b) *Distributions.* In the event the Corporation shall be liquidated (either partial or complete), dissolved or wound up, whether voluntarily or involuntarily, the holders of the Common Stock, the Class B Common Stock and the Class A Common Stock shall be entitled to share ratably,



as a single class, in the remaining net assets of the Corporation; that is, an equal amount of net assets for each share of Common Stock, Class B Common Stock and Class A Common Stock.

3. *Restrictions on Transfer of the Class B Common Stock.*

(a) No beneficial owner (as hereinafter defined) of shares of Class B Common Stock (hereinafter referred to as a "Class B Shareholder") may transfer, and the Corporation shall not register the transfer of, shares of Class B Common Stock of such Class B Shareholder, whether by sale, assignment, gift, bequest, appointment or otherwise, except to a Permitted Transferee of such Class B Shareholder. A "Permitted Transferee" shall be defined as (i) the Class B Shareholder; (ii) the spouse of the Class B Shareholder; (iii) any parent and any lineal descendant (including any adopted child) of any parent of the Class B Shareholder or of the Class B Shareholder's spouse; (iv) any trustee, guardian or custodian for, or any executor, administrator or other legal representative of the estate of, any of the foregoing Permitted Transferees; (v) the trustee of a trust (including a voting trust) principally for the benefit of such Class B Shareholder and/or any of his or her Permitted Transferees; and (vi) any corporation, partnership or other entity if a majority of the beneficial ownership thereof is held by the Class B Shareholder and/or any of his or her Permitted Transferees. If a Class B Shareholder and all of his or her Permitted Transferees cease, for whatever reason, to hold a majority of the beneficial ownership of any corporation, partnership or other entity specified in clause (vi) above, then any and all shares of Class B Common Stock held by such corporation, partnership or other entity shall automatically, without further deed or action by or on behalf of any party, be deemed to have been transferred to other than a Permitted Transferee with the result that such shares shall be deemed to have been converted into a like number of shares of Common Stock.

(b) Notwithstanding anything to the contrary set forth herein, any Class B Shareholder may pledge his shares of Class B Common Stock to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such shares shall not be transferred to or registered in the name of the pledgee and shall remain subject to the provisions of this Paragraph 3. In the event of foreclosure, realization or other similar action by the pledgee, such pledged shares of Class B Common Stock may only be transferred to a Permitted Transferee of the pledgor or converted into shares of Common Stock, as the pledgee may elect.

(c) Any purported transfer of shares of Class B Common Stock not permitted hereunder shall be void and of no effect. Any purported transferee of shares of Class B Common Stock purported to be transferred in violation of this Paragraph 3 shall have no rights as a shareholder of the Corporation and no other rights against, or with respect to, the Corporation, except the right to receive shares of Common Stock upon the conversion of his or her shares of Class B Common Stock into shares of Common Stock. The Corporation and its transfer agent may, as a condition to the transfer or the registration of a transfer of shares of Class B Common Stock to a purported Permitted Transferee, require the furnishing of such affidavits or other proof as they deem necessary to establish that such transferee is a Permitted Transferee.

(d) The Corporation shall note on the certificates for shares of Class B Common Stock the restrictions on transfer and registration of transfer imposed by this Paragraph 3.

(e) Shares of Class B Common Stock shall be registered in the name(s) of the beneficial owner(s) thereof (as herein defined) and not in "street" or "nominee" names; provided however, certificates representing shares of Class B Common Stock issued in the initial distribution thereof to holders of the issued and outstanding Common Stock may be registered in the same name and manner as the certificates representing the shares of Common Stock with respect to which the shares of Class B Common Stock are issued. Any shares of Class B Common Stock registered in "street" or "nominee" name may be transferred to the beneficial owner of such shares on the record date for such initial distribution, upon proof satisfactory to the Corporation and the Transfer Agent that such person was in fact the beneficial owner of such shares on such record date.

(f) For the purpose of this Paragraph 3 the term "beneficial owner(s)" of any shares of Class B Common Stock shall mean a person or persons who, or entity or entities which, have or share the power, either singly or jointly, to direct the voting or disposition of such shares.

4. *Conversion of the Class B Common Stock.*

(a) Each share of Class B Common Stock may at any time or from time to time, at the option of the record holder thereof, be converted into one (1) fully paid and nonassessable share of Common Stock. Such conversion right shall be exercised by the surrender of the certificate representing such share of Class B Common Stock to be converted to the Corporation at any time during normal business hours at the principal executive offices of the Corporation (to the attention of the Secretary of the Corporation), or if an agent for the registration or transfer of shares of Class B Common Stock is then duly appointed and acting (said agent being referred to in this Article IV as the "Transfer Agent"), then at the office of the Transfer Agent, accompanied by a written notice of the election by the holder thereof to convert and (if so required by the Corporation or the Transfer Agent) by instruments of transfer, in form satisfactory to the Corporation and to the Transfer Agent, duly executed by such holder or his duly authorized attorney, and transfer tax stamps or funds therefor, if required pursuant to Paragraph 4(e) below.

(b) As promptly as practicable after the surrender for conversion of a certificate representing shares of Class B Common Stock in the manner provided in Paragraph 4(a) above, and the payment in cash of any amount required by the provisions of Paragraph 4(e), the Corporation will deliver or cause to be delivered at the office of the Transfer Agent to, or upon the written order of, the holder of such certificate, a certificate or certificates representing the number of full shares of Common Stock issuable upon such conversion, issued in such name or names as such holder may direct. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the certificate representing shares of Class B Common Stock, and all rights of the holder of such shares as such holder shall cease at such time and the person or persons in whose name or names the certificate or certificates representing the shares of Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Common Stock at such time; provided, however, that in the event any such surrender and payment are made on any date when the stock transfer records of the Corporation shall be closed, the person or persons in whose name or names the certificate or certificates representing shares of Common Stock are to be issued will become the record holder or holders thereof for all purposes immediately prior to the close of business on the next succeeding day on which such stock transfer records are open.

(c) No adjustments in respect of dividends or other distributions shall be made upon the conversion of any share of Class B Common Stock; provided, however, that if a share shall be converted subsequent to the record date for the payment of a dividend or other distribution on shares of Class B Common Stock but prior to such payment, the registered holder of such share at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on such share on the date set for payment of such dividend or other distribution notwithstanding the conversion thereof or the Corporation's default in payment of the dividend or distribution due on such date.

(d) The Corporation covenants that it will at all times reserve and keep available, solely for the purpose of issuance upon conversion of the outstanding shares of Class B Common Stock, such number of shares of Common Stock as shall be issuable upon the conversion of all such outstanding shares; provided, that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of the conversion of the outstanding shares of Class B Common Stock by delivery of purchased shares of Common Stock which are held in the treasury of the Corporation. The Corporation covenants that if any shares of Common Stock required to be reserved for purposes of conversion hereunder require registration with or approval of any governmental authority under any federal or state law before such shares of Common Stock may be issued upon conversion, the Corporation will cause such shares to be duly registered or approved, as the case may be. The Corporation will endeavor to list the shares of Common Stock required to be delivered upon conversion prior to such delivery upon each national securities exchange, if any, upon which the outstanding Common Stock is listed at the time of such delivery. The Corporation covenants that all shares of Common Stock which shall be issued upon conversion of the shares of Class B Common Stock will, upon issue, be fully paid and nonassessable and not subject to any preemptive rights.

(e) The issuance of certificates for shares of Common Stock upon conversion of shares of Class B Common Stock shall be made without charge for any stamp or other similar tax in respect of such issuance. However, if any such certificate is to be issued in a name other than that of the record holder of the share or shares of Class B Common Stock converted, the person or persons requesting the issuance thereof shall pay to the Corporation the amount of any tax which may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid.

(f) The outstanding shares of Class B Common Stock shall be deemed without further act on anyone's part to be immediately and automatically converted into shares of Common Stock, and stock certificates formerly representing outstanding shares of Class B Common Stock shall thereupon and thereafter be deemed to represent a like number of shares of Common Stock in each of the instances set forth below.

(i) All outstanding shares of Class B Common Stock shall be automatically converted into shares of Common Stock if and when the number of issued and outstanding shares of Class B Common Stock is less than two percent (2%) of the aggregate number of shares of Common Stock and Class B Common Stock then outstanding.

(ii) All of the outstanding shares of Class B Common Stock shall be converted to Common Stock if and when the number of shares of the Corporation's Common Stock and Class B Common Stock owned by the Carver Family (as herein defined) falls below twenty percent (20%) of the aggregate number of shares of Common Stock and Class B Common Stock then issued and outstanding; provided, however, that no such automatic conversion shall occur pursuant to this subparagraph (ii) unless (a) five (5) years have elapsed since the initial distribution of the Class B Common Stock, and (b) after the expiration of the five-year period referred to in (a) above, the Carver Family's ownership thereafter remains below twenty percent (20%) of the aggregate number of shares of Common Stock and Class B Common Stock then issued and outstanding for a period greater than one year from the most recent date on which such ownership falls below twenty percent (20%).

(iii) All of the outstanding shares of Class B Common Stock shall be converted to Common Stock after the expiration of a fifteen (15) year period commencing on the date of the initial distribution of the Class B Common Stock; provided, however, the Board of Directors may extend the existence of the Class B Common Stock for an additional period of five (5) years upon the approval of a majority of the independent directors, as defined below. In no event shall the Class B Common Stock remain outstanding longer than twenty (20) years after the date of the initial distribution of the Class B Common Stock.

(iv) For the purposes of this Paragraph (f), "independent director" is a director who, at the time of determination, and at any time within the three years preceding such time, was not employed by the Corporation or any of its subsidiaries in any capacity and who is not (i) a surviving spouse of Roy J. Carver, (ii) a brother or sister of a surviving spouse of Roy J. Carver or a child (including an adopted child) of any such person, (iii) a lineal descendant of Roy J. Carver, (iv) a spouse of a lineal descendant of Roy J. Carver, (v) a brother-in-law or sister-in-law of a lineal descendant of Roy J. Carver and (vi) a brother or sister of Roy J. Carver or a child (including an adopted child) of any such person. For purposes of this Paragraph (f), "Carver Family" shall mean (i) Lucille A. Carver, widow of Roy J. Carver, (ii) the Estate of Roy J. Carver, (iii) the lineal descendants of Roy J. Carver and their spouses, (iv) executors and administrators of the estate of Lucille A. Carver and the estates of lineal descendants of Roy J. Carver and their spouses, (v) trusts in which Lucille A. Carver, the lineal descendants of Roy J. Carver and their spouses are entitled, in the aggregate, to at least a majority of the beneficial interest therein, (vi) any beneficiary of any such trust to whom shares subject to such trust are subsequently distributed and lineal descendants of any such beneficiary, (vii) any corporation in which a majority of the outstanding voting shares are beneficially owned by Lucille A. Carver, the lineal descendants of Roy J. Carver and their spouses, and (viii) any partnership in which a majority of the partnership interests are beneficially owned by Lucille A. Carver, the lineal descendants of Roy J. Carver and their spouses. For purposes of the foregoing definitions in this subparagraph (iv), the terms "lineal descendant" and "lineal descendants" includes an adopted child and adopted children, respectively.

5. *Subsequent Issuances of Class B Common Stock.* Following the initial distribution of the Class B Common Stock to the holders of the issued and outstanding Common Stock of the Corporation, the Board of Directors may only issue shares of the Class B Common Stock in the form of a distribution or distributions pursuant to a stock dividend on or split-up of the shares of the Class B Common Stock and only to the then record holders of the issued and outstanding shares of the

Class B Common Stock in conjunction with and in the same ratio as a stock dividend on or split-up of the shares of the Common Stock or the Class A Common Stock.

6. *Class A Common Stock Protection Provisions.*

(a) All outstanding shares of Class A Common stock shall be converted into shares of Common Stock on a share-for-share basis if at any time the aggregate number of outstanding shares of Common Stock and Class B Common stock as reflected on the stock transfer records of the Corporation falls below ten percent (10%) of the aggregate number of outstanding shares of Class A Common Stock, Common Stock and Class B Common Stock. For purposes of the immediately preceding sentence, any shares of stock repurchased by the Corporation shall no longer be deemed "outstanding" from and after the date of repurchase.

(b) In the event of a merger or consolidation of the Corporation with or into another entity (whether or not the Corporation is the surviving entity), the holders of Class A Common Stock, Common Stock and Class B Common Stock shall be entitled to receive the same per share consideration in such merger or consolidation.

(c) (i) In the event of the conversion of the Class A Common Stock into shares of Common Stock under Paragraph (a) above, the outstanding shares of Class A Common Stock shall be deemed without further act on anyone's part to be immediately and automatically converted into shares of Common Stock, and stock certificates formerly representing outstanding shares of Class A Common Stock shall thereupon and thereafter be deemed to represent a like number of shares of Common Stock.

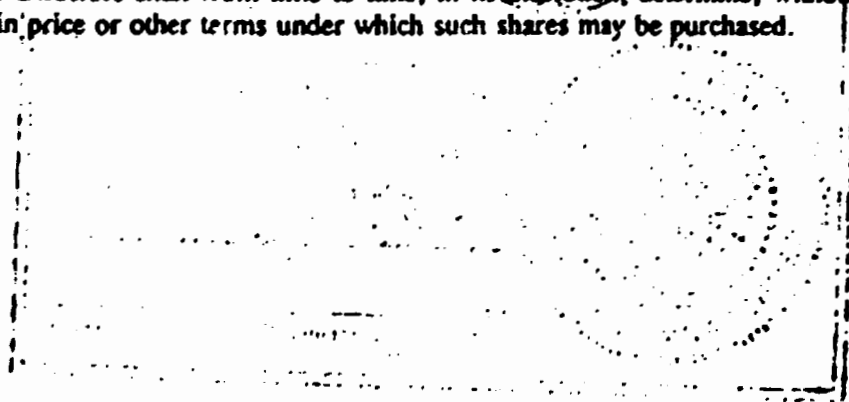
(ii) No adjustments in respect of dividends or other distributions shall be made upon the conversion of any share of Class A Common Stock; provided, however, that if a share shall be converted subsequent to the record date for the payment of a dividend or other distribution on shares of Class A Common Stock but prior to such payment, the registered holder of such share at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on such share on the date set for payment of such dividend or other distribution notwithstanding the conversion thereof or the Corporation's default in payment of the dividend or distribution due on such date.

7. *Supermajority Voting.* Any proposal that the Corporation (1) enter into a merger or consolidation with any person, or (2) sell, lease, transfer, exchange, mortgage, pledge or otherwise dispose of all or a substantial portion of its assets or business to any person, or (3) issue voting securities of the Corporation in exchange or payment for the securities or assets of any person, or (4) be liquidated or dissolved, and any proposal that the shareholders increase or decrease the number of directors of the Corporation, however effectuated, shall require for approval the affirmative vote of the holders of not less than seventy-five per cent (75%) of the votes entitled to be cast. Provided, however, that the foregoing shall not apply to any such proposal which has been approved by the affirmative vote of not less than two-thirds of the directors of the Corporation nor to any merger, consolidation or sale of assets or business or the issuance of voting securities between the Corporation and another corporation fifty percent (50%) or more of the voting shares of which

is owned by the Corporation. For the purposes of this Article, the term "person" includes all individuals and other legal entities, including corporations, partnerships, trusts and estates.

8. *Preemptive Rights Denied.* No holder of shares of any class of stock of the Corporation shall possess any preemptive right to acquire additional shares of any class or treasury shares of the Corporation, or obligations of the Corporation convertible into such shares, whether now or hereafter authorized.

9. *Purchase of Shares.* The Corporation shall have the authority to purchase any amount of Common Stock, Class A Common Stock or Class B Common Stock upon such terms and conditions as the Board of Directors shall from time to time, in its discretion, determine, without regard to any differences in price or other terms under which such shares may be purchased.



ELAINE BAXTER

Secretary of State

FILED

Date: 5-6-92

Time: 12:04

Receipt: R 197640