State of Delaware

Office of Secretary of State.

I, Elisha C. Dukes, Secretary of State of the State of Delaware, do hereby certify that the above and foregoing is a true and correct copy of

Certificate of Agreement of Merger of "THE MONARCH MARKING SYSTEM COMPANY", a corporation organized and existing under the laws of the State of Ohio, merging with and into the "PITNEY-BOWES, INC.", a corporation organized and existing under the laws of the State of Delaware, under the name of "PITNEY-BOWES, INC.", as received and filed in this office the fifteenth day of May, A.D. 1968, at 12 o'clock Noon;

And I do hereby further certify that the aforesaid Corporation shall be governed by the laws of the State of Delaware.

In Testimony Whereof, I have hereunto set my hand and official seal at Dover this twenty-first day of May in the year of our Lord one thousand nine hundred and sixty-eight.

Elisha C Dukes

Secretary of State

A Adams

Ass't Secretary of State

FORM 121

AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger (the "Agreement") dated as of February 1, 1968 between PITNEY-BOWES, INC., a Delaware corporation ("Pitney-Bowes" or the "Surviving Corporation"), and THE MONARCH MARKING SYSTEM COMPANY, an Ohio corporation ("Monarch") (said two corporations being hereinafter together referred to as the "Constituent Corporations"),

WITNESSETH:

WHEREAS, Pitney-Bowes was incorporated on April 23, 1920 under the laws of the State of Delaware; and

WHEREAS, the authorized capital stock of Pitney-Bowes consists of 600,000 shares of Cumulative Preferred Stock, of the par value of $50 per share, of which 240,000 shares of 4% Convertible Cumulative Preferred Stock are outstanding, and 10,000,000 shares of Common Stock, of the par value of $2 per share, of which 4,586,585 shares are outstanding, and Pitney-Bowes has outstanding options to purchase an aggregate of 80,069 shares of its Common Stock and its outstanding shares of 4% Convertible Cumulative Preferred Stock are presently convertible into an aggregate of 171,428 shares of its Common Stock; and

WHEREAS, Monarch was incorporated on April 21, 1920 under the laws of the State of Ohio; and

WHEREAS, the authorized capital stock of Monarch consists of 3,000,000 shares of Common Stock, without par value, of which 2,072,628 shares are outstanding, and Monarch has outstanding options under its Key Employees Stock Ownership Plan to purchase an aggregate of 10,665 shares of its Common Stock and 4½% Convertible Subordinated Debentures due September 1, 1983 presently convertible into an aggregate of 70,733 shares of its Common Stock; and

WHEREAS, the Boards of Directors of Pitney-Bowes and Monarch have determined that it is advisable and for the benefit of the Constituent Corporations and their stockholders that Monarch be merged into Pitney-Bowes on the terms hereinafter set forth and have approved this Agreement and Plan of Merger;

NOW, THEREFORE, Pitney-Bowes and Monarch hereby agree that, pursuant to the applicable statutes of Delaware and Ohio and subject to the conditions hereinafter set forth, Monarch shall be merged into Pitney-Bowes, which shall be the Surviving Corporation, and that the plan, terms and conditions of such merger, and the mode of carrying the same into effect, and the manner and basis of making distribution to the shareholders of Monarch, shall be as follows:

1. *Plan of Merger.* At the effective date of the merger, as defined in Section 10 hereof, Monarch shall be merged into Pitney-Bowes in a reorganization as defined in Section 368 of the Internal Revenue Code of 1954, the separate existence of Monarch shall cease, and Pitney-Bowes, as the Surviving Corporation, shall continue to exist by virtue of and shall be governed by the laws of the State of Delaware, with its present name. The Surviving Corporation shall thereafter, to the extent consistent with its Certificate of Incorporation as altered by the merger, possess all the rights, privileges, immunities, powers and purposes and be subject to all the obligations of each of the Constituent Corporations, and all the property, real and personal, including subscriptions to shares, causes of action and every other asset of each of the Constituent Corporations shall be vested, or continue to be vested, in the Surviving Corporation without further act or deed. Immediately after the merger becoming effective, the business and assets of Monarch shall be transferred by Pitney-Bowes to a new subsidiary which will be wholly-owned by Pitney-Bowes and will be operated under the "Monarch" name.

2. *Certificate of Incorporation.* At the effective date of the merger the Certificate of Incorporation of Pitney-Bowes, as heretofore amended, shall be further amended to read as set forth in Appendix A

hereto, and such Certificate of Incorporation, as so amended, shall continue to be the Certificate of Incorporation of the Surviving Corporation following the effective date of the merger, until further amended in accordance with applicable law.

3. *By-Laws.* At the effective date of the merger the first sentence of Article II, Section 2, of the By-Laws of Pitney-Bowes, as heretofore amended, shall be further amended to read as follows:

"SECTION 2. *Number of Directors.* The number of directors constituting the whole Board shall be 13."

and such By-Laws as so amended and as in effect on the effective date of the merger shall continue to be the By-Laws of the Surviving Corporation following the effective date of the merger, until further amended in accordance with the provisions thereof and applicable law.

4. *Directors and Officers.* Upon the merger becoming effective the directors of the Surviving Corporation shall be the directors of Pitney-Bowes at the effective date of the merger and John E. Kohnle, presently a director of Monarch. Each such director of the Surviving Corporation shall hold office until the next annual meeting of the Surviving Corporation and until his successor has been elected and qualified. The officers of the Surviving Corporation shall be the officers of Pitney-Bowes at the effective date of the merger, each such officer to hold office in accordance with the By-Laws of the Surviving Corporation. The names and addresses of said directors and officers are set forth in Appendix B hereto.

5. *Conversion of Shares.* The manner and basis of converting the shares of stock of each of the Constitutent Corporations into shares of stock of Pitney-Bowes are as follows:

(a) Each share of Pitney-Bowes Cumulative Preferred Stock and each share of Pitney-Bowes Common Stock on the effective date of the merger shall continue as one share of Cumulative Preferred Stock and one share of Common Stock of the Surviving Corporation, which shall be fully paid and non-assessable.

(b) At the effective date of the merger each then outstanding share of Monarch Common Stock (excluding treasury shares) shall be converted into 62/100 of a fully paid and nonassessable share of Pitney-Bowes Common Stock; provided, however, that the Surviving Corporation shall not issue any certificates for fractional shares of such Common Stock and any holder of Common Stock of Monarch entitled to any such fraction shall have the rights provided in paragraph (d) below. Shares of Common Stock of Monarch, if any, held in its treasury shall be cancelled.

(c) After the effective date of the merger each holder of an outstanding certificate or certificates theretofore representing shares of Common Stock of Monarch shall surrender the same to the Surviving Corporation and shall receive in exchange therefor a certificate or certificates representing the number of whole shares of Pitney-Bowes Common Stock into which such shares of Common Stock of Monarch have been converted. Until so surrendered, each outstanding certificate which, prior to the effective date of the merger, represented shares of Common Stock of Monarch shall be deemed for all corporate purposes to evidence the number of whole shares of Pitney-Bowes Common Stock into which the same shall have been converted; provided, however, that dividends payable to holders of record after the effective date of the merger in respect of such shares of Pitney-Bowes Common Stock shall not be paid to the holders of such certificates until such certificates are surrendered for exchange pursuant to this paragraph.

(d) No fractional shares of Pitney-Bowes Common Stock, or certificates or scrip therefor, shall be issued in connection with the conversion of Monarch Common Stock, but arrangements shall be made with The Chase Manhattan Bank, N.A., exchange agent, pursuant to which holders of Common Stock of Monarch entitled to fractional interests in shares of Pitney-Bowes Common Stock shall for a period expiring 60 days after the effective date of the merger have the election at the time of surrender of their Monarch Common Stock certificate or certificates to buy through such

exchange agent any additional fraction to make up a full share or to sell through such exchange agent any fraction to which they are entitled. The exchange agent may offset buy and sell orders received by it. Orders which are not offset will be executed on the New York Stock Exchange. Any expenses of the execution of such orders, and transfer taxes applicable to offsets, will be apportioned by such exchange agent among the buy or sell orders of tendering stockholders, and the net cost will be billed or the net proceeds remitted, as the case may be, to tendering stockholders on the basis of the average of the high and low sale prices of the Pitney-Bowes Common Stock on the New York Stock Exchange on the day of the execution of such buy or sell orders, whether by offset or otherwise. After the expiration of such period the exchange agent will, as agent for the holders of the then unsurrendered Monarch Common Stock certificates who are entitled to fractional share interests, sell shares of Pitney-Bowes Common Stock equivalent to the total of such fractional share interests. Thereafter the exchange agent will pay to such holders, on surrender of their Monarch Common Stock certificate or certificates, their pro rata share of the net proceeds of such sale and any dividend payments received by the exchange agent in respect of the shares so sold, but without interest.

(e) At the effective date of the merger (i) each then outstanding option to purchase shares of Pitney-Bowes Common Stock shall remain unchanged and (ii) each option to purchase shares of Monarch Common Stock then outstanding under The Monarch Marking System Company Key Employees' Stock Ownership Plan shall be converted into a right to purchase a number of shares (to the nearest full share) of Pitney-Bowes Common Stock determined by multiplying the number of shares of Monarch Common Stock which may be purchased under such option by .62, at a price per share determined by dividing the price per share at which shares of Monarch Common Stock may be purchased pursuant to such option by .62, and upon such other terms and conditions (not resulting in any "modification, extension, or renewal" of any such option within the meaning of Section 425 of the Internal Revenue Code of 1954) as may be fixed by the Board of Directors of the Surviving Corporation substantially similar to those contained in such right to purchase Monarch Common Stock and in such Plan.

(f) Any shares of Monarch Common Stock acquired by Pitney-Bowes upon payment of the agreed value thereof or for the amount due under the final order of a court by reason of a demand made by any shareholder of Monarch for payment of the fair value of his shares of Monarch Common Stock in accordance with the applicable laws of Ohio shall be cancelled, and no shares of Pitney-Bowes Common Stock shall be issued in respect thereof.

6. *Representations and Warranties of Monarch.* Monarch represents and warrants to and agrees with Pitney-Bowes as follows:

(a) Monarch and each of its subsidiaries is, and as of the effective date of the merger will be, a duly organized and validly existing corporation in good standing under the laws of its respective jurisdiction of incorporation with all requisite power and authority (corporate and other) to own its property and conduct its business and duly qualified to do business as a foreign corporation in good standing in California, Florida, Georgia, Massachusetts, Michigan, New York, Pennsylvania, Texas, Virginia and Washington, and has no reason to believe qualification is required in any other jurisdiction.

(b) The outstanding capital stock, stock options and securities convertible into Common Stock of Monarch are correctly stated in the preambles to this Agreement, all of the outstanding shares of capital stock of Monarch and of each of its subsidiaries is validly issued, fully paid and nonassessable, there are no options, warrants, calls or commitments of any kind relating to capital stock of Monarch or of such subsidiaries other than as stated in the preambles to this Agreement, and, prior to the effective date of the merger, Monarch and its subsidiaries will not, without the written consent of Pitney-Bowes, issue or sell any shares of their capital stock or other securities, acquire directly or indirectly any such capital stock, declare or pay any dividends thereon or make

any other distribution with respect thereto, or grant or enter into any options, warrants, calls or commitments of any kind with respect thereto, except, however, (i) stock options for an aggregate of not more than 1,500 shares may be granted to employees; (ii) shares of Common Stock may be issued upon the exercise of stock options heretofore granted; (iii) shares of Common Stock may be issued upon conversion of the outstanding 4½% Convertible Subordinated Debentures due September 1, 1983; (iv) such 4½% Convertible Subordinated Debentures due September 1, 1983 shall be called for redemption on a redemption date prior to the effective date of the merger; (v) shares of Common Stock in an amount not exceeding 4,200 shares may be issued or delivered in connection with the acquisition of Converters Gravure Service, Inc.; (vi) a cash dividend not exceeding $.11 per share may be declared and paid on the Common Stock of Monarch on or after June 1, 1968 if the merger shall not have become effective on or before May 20, 1968; and (vii) notes may be issued to evidence short-term bank borrowings in the ordinary course of business.

(c) Monarch has delivered to Pitney-Bowes a copy of the consolidated balance sheets of Monarch and its consolidated subsidiaries as at December 31, 1963, 1964, 1965, 1966 and 1967, and the related consolidated statements of income and retained earnings for the fiscal years ended on such dates, accompanied in each case by an opinion of independent public accountants. Such financial statements are true, correct and complete, were prepared in accordance with generally accepted accounting principles applied on a consistent basis (except as otherwise therein or in the notes thereto stated) throughout the periods involved, fairly present the consolidated financial position of Monarch and its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations for the periods indicated, and include the accounts of all active subsidiaries of Monarch. The accounts receivable of Monarch and its subsidiaries reflected in such December 31, 1967 consolidated balance sheet have been collected or are collectible at the aggregate recorded amounts thereof less applicable reserves computed in accordance with generally accepted accounting principles, which reserves are believed to be adequate. The inventories of Monarch and its subsidiaries reflected in such consolidated balance sheet, or thereafter acquired by them, consist of items of a quality or quantity usable and salable in the normal course of the respective businesses of Monarch and its subsidiaries except for items of obsolete or unusable materials all of which have been written down to realizable market value or reserves believed to be adequate provided therefor, and the values at which inventories are carried reflect the normal inventory valuation policy of Monarch and its subsidiaries of stating the inventory at the lower of (i) standard cost or (ii) net realizable market value, all in accordance with generally accepted accounting principles consistently applied. Monarch and its subsidiaries have no liabilities or obligations which are in the aggregate material, whether accrued, absolute, contingent or otherwise, except as reflected in such consolidated balance sheet and not heretofore discharged or as specifically described in writing to Pitney-Bowes pursuant to this Agreement or as otherwise disclosed herein or pursuant hereto, and except those incurred as a result of the normal and ordinary course of their businesses since December 31, 1967, none of which are materially adverse.

(d) Monarch owns beneficially, free and clear of all liens, pledges, charges or encumbrances of any nature whatsoever, all of the outstanding capital stock of Presto Adhesive Paper Company, Incorporated, an Ohio corporation; Colorpac, Incorporated, an Ohio corporation; Monarch Marking System, Limited, a Canadian corporation; and Monarch Marking System de Mexico S.A. de C.V., a Mexican corporation (referred to herein as "its subsidiaries").

(e) Monarch and its subsidiaries have good and marketable title in fee simple to all their real property and good title to all their leasehold interests and other properties, including those reflected in their consolidated balance sheet at December 31, 1967 referred to above or purported to have been acquired after that date (except as sold or otherwise disposed of in the ordinary course of business), free and clear of all mortgages, liens, pledges, charges or encumbrances of any nature whatsoever, except (i) the lien of current taxes payments of which are not yet delinquent; (ii) such imperfections in title and easements and encumbrances, if any, as are not substantial in

character, amount or extent and do not materially detract from the value, or interfere with the present use of the property (in the manner utilized by Monarch) subject thereto or affected thereby, or otherwise materially impair business operations (in the manner carried on by Monarch), or (iii) as disclosed in such consolidated balance sheet or in the list provided pursuant to clause (i) of paragraph (m) of this Section. All leases under which Monarch or any of its subsidiaries lease any substantial amount of real or personal property are in good standing, valid and effective in accordance with their respective terms, and there is not, under any of such leases, any existing default or event which with notice or lapse of time or both would become a default. The facilities and equipment of Monarch and its subsidiaries or used by them in the operation of their businesses are in good operating condition and repair, normal wear and tear excepted.

(f) Monarch and each of its subsidiaries owns or possesses all the copyrights, patents, trademarks, service marks, trade names, licenses and rights in any thereof necessary for the conduct of its business in the manner in which it has been conducted, without any known conflict with the rights of others.

(g) Monarch and its subsidiaries have correctly prepared and filed all tax returns which in the opinion of Monarch are required to be filed, and have paid all taxes due and payable or made reserve therefor believed to be adequate. The provisions for taxes shown in the December 31, 1967 consolidated balance sheet referred to above are substantially sufficient for the payment of all taxes attributable to income earned prior to December 31, 1967, and include adequate provision for deferred taxes on income arising from the excess of tax deductions over related book expenses, all in accordance with generally accepted accounting principles.

(h) Except as otherwise indicated in the list furnished to Pitney-Bowes pursuant to clause (xi) of paragraph (m) of this Section, there are no actions, proceedings or investigations pending, or to the knowledge of Monarch threatened, against or affecting Monarch or any of its subsidiaries or any of their properties or rights, in any court or before any authority, which involve the possibility of materially and adversely affecting the financial condition, business, properties or rights of any of the foregoing or the ability of Monarch to complete the merger. To Monarch's knowledge, neither Monarch nor any of its subsidiaries is in any material respect in default in respect of any order of any court or governmental authority or under any applicable law or regulation.

(i) Neither Monarch nor any of its subsidiaries is in any material respect in default under or violating (i) any provision of its charter or by-laws or (ii) any indenture, agreement, deed, lease, loan agreement, note or other instrument to which it is a party or by which it is bound or to which any of its assets is subject except as specifically described in writing to Pitney-Bowes, and neither the execution and delivery of this Agreement nor the consummation of the transactions provided for herein will conflict with or result in a breach of or constitute a default under any of the foregoing or result in the creation of any lien or encumbrance upon the assets of Monarch or its subsidiaries.

(j) Except as indicated in the lists furnished to Pitney-Bowes pursuant to paragraph (m) of this Section, since December 31, 1967 there has not been, and prior to the effective date of the merger there will not be, (i) any material adverse change in the financial condition, net worth or results of operations of Monarch and its subsidiaries, other than changes necessarily resulting from transactions specifically contemplated by this Agreement, transactions in the ordinary course of business, or transactions entered into with the specific approval of Pitney-Bowes; (ii) any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the property and business of Monarch or any of its subsidiaries; (iii) any material increase in the compensation payable or to become payable by Monarch or its subsidiaries to its officers or key employees, or any bonus, insurance, pension or other beneficial plan, payment or arrangement made to or for the benefit of any such officers or key employees, other than with the specific approval of Pitney-Bowes; (iv) any general or uniform increase in the rates of pay of any substantial group of employees of Monarch or its subsidiaries other than with the specific approval of Pitney-Bowes; (v)

any loan, bonus, option, pension, retirement, insurance, death or other fringe benefits accrued, paid or granted to any officer or employee of Monarch or its subsidiaries; (vi) any other event or condition of any character pertaining to and materially and adversely affecting the assets or businesses of Monarch and its subsidiaries; or (vii) any amendment to the charter of Monarch or any of its subsidiaries, other than an amendment changing the place of the principal office of Monarch in the State of Ohio from the City of Dayton to the City of Miamisburg, in Montgomery County.

(k) Financial statements and other information concerning Monarch and its subsidiaries furnished by Monarch for inclusion in the proxy statement to stockholders of Pitney-Bowes and Monarch in connection with the meetings to be held to consider adoption or approval of this Agreement are not and will not, at the time and in light of the circumstances under which given or made, be false or misleading in any material respect or fail to state any fact necessary to make the statements therein not false or misleading in any material respect.

(l) Monarch has delivered to Pitney-Bowes a schedule showing ownership of securities of Monarch by each director and officer of Monarch and by members of their immediate families. No other person, to the knowledge of Monarch, owns 5% or more of the outstanding Monarch Common Stock.

(m) Monarch has delivered to Pitney-Bowes true and complete lists as of the date of this Agreement, of the following:

(i) all real property owned, leased or subject to a contract of purchase or sale or lease commitment, by Monarch and its subsidiaries, with the amount of any mortgages thereon and, to the extent Monarch has the same, copies of surveys and complete legal descriptions of the property included, and a correct and complete copy of all leases and amendments thereto referred to in such lists, together with such detail as to gross and net book values and depreciation taken as Pitney-Bowes has or shall have requested;

(ii) all letters patent, patent applications, inventions upon which patent applications are being prepared but have not yet been filed, copyrights, trademarks, service marks, trade names, licenses and rights in any thereof, both domestic and foreign, owned in whole or in part or used by Monarch or any of its subsidiaries, and all technical assistance, know-how or engineering consulting agreements, and employee agreements regarding inventions and copyrights, to which Monarch or any of its subsidiaries is a party, and all pending patent, copyright, trademark, service mark, trade name or breach of confidence suits or claims or notices thereof to which any of them is a party or which, to the knowledge of any of them, is threatened;

(iii) all insurance contracts in force with respect to Monarch or its subsidiaries, including those covering their respective properties, buildings, machinery, equipment, fixtures, employees and operations;

(iv) all agreements of Monarch or any of its subsidiaries (except for purchase or sales orders which, as to price and quantity, are consonant with the ordinary course of their business as heretofore conducted) which involve future payments by or to Monarch or any of its subsidiaries of more than $50,000 or which extend beyond one year and involve more than $25,000, and all other material contracts not made in the ordinary course of business which are to be performed at or after the effective date of the merger;

(v) all bonus, option, incentive compensation, profit sharing, retirement, pension, group insurance, death benefit or other fringe benefit plans, trust agreements or arrangements of Monarch and its subsidiaries (complete and correct copies of all of which are attached to or accompany the list) and copies of the reports, if any, filed with the Department of Labor under the Federal Welfare Plan Disclosure Act with respect to them for the years 1965, 1966 and 1967;

(vi) the names and current annual salary rates of all present officers and employees of Monarch and its subsidiaries whose current annual regular salary rate is $15,000 or more, together with any bonuses paid or payable to each such person for the fiscal year ended December 31, 1967;

(vii) the names and ages of all pensioned employees of Monarch or any of its subsidiaries whose pensions are unfunded and who are not covered by one of the pension plans referred to above and their current annual or monthly unfunded pension rates;

(viii) the names of all banks in which Monarch or any of its subsidiaries has an account, the designation of each such account and the names of all persons authorized to draw thereon;

(ix) all collective bargaining agreements of Monarch or any of its subsidiaries, all consulting agreements to which any of them is a party and all employment and compensation agreements, written or oral, other than any referred to in (v) above, with officers or employees of any of them (complete and correct copies of all of which are attached to or accompany the list);

(x) all forms of current dealer, distributor, franchise or sales agents agreements to which Monarch or any of its subsidiaries is a party (specimen copies of all of which are attached to or accompany the list), containing termination provisions which are substantially similar to those in all existing dealer, distributor, franchise or sales agents agreements; and

(xi) all pending suits or claims or notices thereof, other than those referred to in (ii) above, to which Monarch or any of its subsidiaries is a party or which, to the knowledge of any of them, is threatened.

(n) Prior to the effective date of the merger Monarch and its subsidiaries will carry on their businesses in the usual manner, will not waive any right, or cancel any debt or claim, of substantial value, or make any commitment or expenditure, except in the ordinary course of business, and will carry adequate insurance comparable to that in effect on the date of this Agreement.

(o) Monarch will certify to Pitney-Bowes the name and address and the number of shares of stock of Monarch held by each shareholder of Monarch whose shares are not voted in favor of the merger and who shall serve a written demand for payment of the fair cash value of his shares.

7. *Representations and Warranties of Pitney-Bowes.* Pitney-Bowes represents and warrants to and agrees with Monarch as follows:

(a) Pitney-Bowes is, and as of the effective date of the merger will be, a duly organized and validly existing corporation in good standing under the laws of the State of Delaware with all requisite power and authority (corporate and other) to own its property and conduct its business and duly qualified to do business as a foreign corporation in good standing in each jurisdiction where the ownership of its property or the conduct of its business makes such qualification necessary.

(b) The outstanding capital stock, stock options and securities convertible into Common Stock of Pitney-Bowes are correctly stated in the preambles to this Agreement.

(c) Pitney-Bowes has delivered to Monarch a copy of the consolidated balance sheets of Pitney-Bowes and its subsidiaries as at December 31, 1963, 1964, 1965, 1966 and 1967, and the related statements of consolidated income and consolidated retained earnings for the fiscal years then ended, accompanied in each case by an opinion of independent public accountants. Such financial statements are true, correct and complete, were prepared in accordance with generally accepted accounting principles applied on a consistent basis (except as otherwise therein or in the notes thereto stated) throughout the periods involved and fairly present the financial position of Pitney-Bowes and its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations for the periods indicated. Since December 31, 1967 there

has not been, and prior to the effective date of the merger there will not be, any material adverse change in the financial condition, net worth or results of operations of Pitney-Bowes and its subsidiaries.

(d) Financial statements and other information concerning Pitney-Bowes and its subsidiaries furnished by Pitney-Bowes for inclusion in the proxy statement to stockholders of Pitney-Bowes and Monarch in connection with the meetings to be held to consider adoption or approval of this Agreement are not and will not, at the time and in light of the circumstances under which given or made, be false or misleading in any material respect or fail to state any fact necessary to make the statements therein not false or misleading in any material respect.

(e) Neither the execution and delivery of this Agreement nor the consummation of the transactions provided for herein will conflict with or result in a breach of or constitute a default under any provision of the charter or by-laws of Pitney-Bowes or any indenture, agreement, deed, lease, loan agreement, note or other instrument, or any order, judgment or decree, to which it is a party or by which it is bound or to which any of its assets is subject, or result in the creation of any lien or encumbrance upon the assets of Pitney-Bowes.

(f) The Common Stock of Pitney-Bowes is listed on the New York Stock Exchange and Pitney-Bowes will use its best efforts to obtain at its expense listing, on or before the effective date of the merger, of the additional Pitney-Bowes Common Stock into which Monarch Common Stock is to be converted on such date.

(g) Pitney-Bowes, or its new subsidiary to which the business and assets of Monarch will be transferred as provided under Section 1 of this Agreement, shall assume, and be substituted for Monarch under, the existing Monarch Employees' Profit-Sharing Plan and Trust; provided that such assumption and substitution shall be effected in such manner as not to result in any taxable income under the Internal Revenue Code of 1954 to any of the participants in the said Plan; provided that Pitney-Bowes or such subsidiary shall have the same right to amend, discontinue or modify such Plan as Monarch has under such Plan as it presently exists.

8. *Representations and Agreements of Surviving Corporation.* Upon the merger becoming effective, the Surviving Corporation represents and agrees as follows:

(a) The purposes of the Surviving Corporation shall be those set forth in ARTICLE THIRD of the Certificate of Incorporation in Appendix A hereto. The authorized number and par value per share, the express terms, classification and designation of shares of the Surviving Corporation shall be those set forth in ARTICLE FOURTH of the Certificate of Incorporation in Appendix A hereto.

(b) The amount of the earned surplus of the Surviving Corporation shall be the combined earned surplus of the Constituent Corporations reduced by any amount required in accordance with generally accepted accounting principles on account of any shares of Monarch Common Stock purchased by Pitney-Bowes and cancelled in the merger.

(c) The principal office of the Surviving Corporation in the State of Delaware shall be c/o The Corporation Trust Company, 100 West Tenth Street, Wilmington, Delaware.

(d) The principal office of the Surviving Corporation in the State of Ohio shall be c/o CT Corporation System, Union Commerce Building, Cleveland, Cuyahoga County, Ohio 44115. The Surviving Corporation desires to continue to transact business in the State of Ohio as a foreign corporation and hereby appoints as its statutory agent in Ohio CT Corporation System, Union Commerce Building, Cleveland, Cuyahoga County, Ohio 44115, and irrevocably consents (i) that any process, notice or demand against, to or upon the Surviving Corporation may be served within the State of Ohio upon such statutory agent so long as the authority of such agent continues, and (ii) to service of process upon the Secretary of State of the State of Ohio in the events provided

in Section 1703.19 of the Ohio Revised Code, all as required when a foreign corporation applies for a license to transact business in the State of Ohio.

(e) The Surviving Corporation hereby consents that it may be sued and served with process in the State of Ohio in any proceeding for the enforcement of any obligation of Monarch and in any proceeding for the enforcement of the rights of a dissenting shareholder of Monarch against the Surviving Corporation, and hereby irrevocably appoints the Secretary of State of the State of Ohio as its agent to accept service of process in any such proceeding. The Surviving Corporation will promptly pay to dissenting shareholders of Monarch the amount, if any, to which they are entitled under Section 1701.85 of the Ohio Revised Code.

(f) The Surviving Corporation will be, as of the effective date of the merger, a duly organized and validly existing corporation in good standing under the laws of the State of Delaware with all requisite power and authority (corporate and other) to own its property and conduct its business as a foreign corporation in good standing in each jurisdiction where the ownership of its property or the conduct of its business makes such qualification necessary.

9. *Termination.* This Agreement may be terminated and the merger provided for herein abandoned without liability on the part of either party to the other at any time prior to, but not after, the effective date of the merger, whether before or after stockholder action by either or both of the Constituent Corporations approving and adopting this Agreement:

(a) by mutual consent of the Boards of Directors of Pitney-Bowes and Monarch or of the Executive Committee of Pitney-Bowes and the Board of Directors of Monarch; or

(b) by the Board of Directors or Executive Committee of Pitney-Bowes, at its election, if

(i) any representation or warranty made herein by Monarch is untrue on the date hereof or at any subsequent date (not later than the effective date of the merger) as if made at and as of such subsequent date, or Monarch shall have failed to perform all obligations undertaken by it herein;

(ii) this Agreement shall not have been adopted or approved by the requisite vote of stockholders of Pitney-Bowes and Monarch on or prior to July 31, 1968, or the merger shall not have become effective on or prior to August 15 otherwise than by reason of default of Pitney-Bowes;

(iii) Monarch shall have failed to call for redemption on a redemption date prior to the effective date of the merger its outstanding 4½% Convertible Subordinated Debentures due September 1, 1983;

(iv) Monarch shall not have obtained, before the effective date of the merger, all required consents of the holders of its outstanding 5⅜%, 5% and 6½% Notes to the assumption of the obligations thereof by Pitney-Bowes and to the modification of the covenants and restrictions set forth in the Note Agreements related thereto, dated October 24, 1961, June 1, 1964 and September 1, 1967, in such manner that such covenants and restrictions will be substantially the same as the covenants and restrictions contained in the Note Agreements dated January 11, 1968 under which the 6¾% Promissory Notes due January 15, 1993 of Pitney-Bowes were issued;

(v) Pitney-Bowes shall not have received from Messrs. Shaman, Winer, Shulman & Ziegler, counsel for Monarch, a written opinion satisfactory to Pitney-Bowes, dated within five days prior to the contemplated effective date of the merger, that the corporate existence, good standing and outstanding capital stock of Monarch and its subsidiaries are as stated in Section 6 hereof (except for changes in outstanding capital stock resulting from exercises of options or conversions of convertible securities subsequent to the date hereof), that Monarch has taken all requisite corporate action to authorize this Agreement, and that except as may be specified by such

counsel they do not know of any material litigation, proceeding or governmental investigation or labor stoppage pending or threatened against or relating to Monarch or any of its subsidiaries (it being understood that for the purposes of such opinion such counsel may rely upon certificates of officers of Monarch and opinions of other counsel to the extent deemed appropriate by them);

(vi) listing on the New York Stock Exchange (subject to official notice of issuance) of the additional Pitney-Bowes Common Stock into which Monarch Common Stock is to be converted at the effective date of the merger shall not have been approved by such Exchange on or prior to the effective date of the merger;

(vii) in the judgment of the Board of Directors or Executive Committee of Pitney-Bowes the merger would be inadvisable because of the number of shares of Monarch Common Stock held by dissenting shareholders who have demanded payment of the fair value of their shares as provided in Section 1701.85 of the Ohio Revised Code;

(viii) Pitney-Bowes shall not have received commitments and undertakings, in form and substance satisfactory to Pitney-Bowes, of each of the following shareholders of Monarch:

Edward L. Kohnle
Esther B. Kohnle
John E. Kohnle
Linda V. Kohnle
Phyllis Kohnle Castor
Harold W. Shaw, Jr.
Sally L. Shaw
Lowell P. Rieger
Wanda H. Rieger
Frederic L. Rieger
Harold W. Shaw, individually and as executor of estate of Margretta B. Kohnle
Mary Louise Kohnle Shaw
Katherine Rieger
Evelyn P. Rieger, individually and as co-executrix of estate of, and co-trustee under will of, James H. Rieger

and of any other person who might, in the opinion of counsel for Pitney-Bowes, be considered an "underwriter" within the meaning of Rule 133 of the General Rules and Regulations under the Securities Act of 1933, as amended (the "Securities Act"), to the effect that the Common Stock of Pitney-Bowes received by such person in connection with the merger will not be sold or distributed in violation of the Securities Act and the rules and regulations thereunder; provided that Pitney-Bowes shall agree with each person furnishing a commitment and undertaking under this paragraph that as soon as practicable after the effective date of the merger Pitney-Bowes will at its expense file a registration statement under the Securities Act on Form S-14 covering all of the shares held by such persons, their respective heirs, personal representatives, and assigns, and keep such registration statement in effect by the filing of all necessary amendments and supplements as long as may be required in connection with the distribution of such shares, but not longer than two years after the effective date of the registration statement;

(ix) there shall exist any material litigation, pending or threatened, pertaining to the merger, including any claim for brokerage fees or agents' commissions in connection therewith other than the fee payable to McDonald & Company, Cleveland, Ohio, referred to in Section 12(b);

(x) the independent public accountants for Pitney-Bowes shall have raised any objection to accounting for the merger as a pooling of interests;

(xi) any material labor stoppage affecting Monarch or its subsidiaries shall be in existence immediately prior to the contemplated effective date of the merger; or

(c) by the Board of Directors of Monarch, at its election, if

(i) any representation or warranty made herein by Pitney-Bowes is untrue on the date hereof or at any subsequent date (not later than the effective date of the merger) as if made at and as of such subsequent date, or Pitney-Bowes shall have failed to perform all obligations undertaken by it herein;

(ii) this Agreement shall not have been adopted or approved by the requisite vote of stockholders of Pitney-Bowes and Monarch on or prior to July 31, 1968, or the merger shall not have become effective on or prior to August 15, 1968 otherwise than by reason of default of Monarch;

(iii) Monarch shall not have received from Edward M. Harris, Jr., Esq., Secretary and General Counsel of Pitney-Bowes, and from Sullivan & Cromwell, counsel for Pitney-Bowes, written opinions satisfactory to Monarch, dated within five days prior to the contemplated effective date of the merger, that the corporate existence, good standing and outstanding capital stock of Pitney-Bowes are as stated in Section 7 hereof (except for changes in outstanding capital stock resulting from exercises of options or conversions of convertible securities subsequent to the date hereof), that Pitney-Bowes has taken all requisite corporate action to authorize this Agreement and the consummation of the transactions contemplated hereby, and that the shares of Common Stock of Pitney-Bowes to be issued upon conversion of Monarch Common Stock upon the effective date of the merger will be validly issued, full paid and nonassessable, and the issuance thereof pursuant to the merger will not be in violation of the Securities Act of 1933;

(iv) there shall exist any material litigation, pending or threatened, pertaining to the merger, including any claim for brokerage fees or agents' commissions in connection therewith other than the fee payable to McDonald & Company, Cleveland, Ohio, referred to in Section 12(b);

(v) the independent public accountants for Pitney-Bowes shall have raised any objection to accounting for the merger as a pooling of interests;

(vi) listing on the New York Stock Exchange (subject to official notice of issuance) of the additional Pitney-Bowes Common Stock into which Monarch Common Stock is to be converted at the effective date of the merger shall not have been approved by such Exchange on or prior to the effective date of the merger;

(vii) Monarch shall not have received an opinion of Stroock & Stroock & Lavan, in form and content satisfactory to Monarch, dated within five days prior to the contemplated effective date of the merger, to the effect that:

(1) The proposed merger of Monarch into Pitney-Bowes, if consummated in the manner and subject to the terms set forth in this Agreement, will constitute a statutory merger and qualify as a tax-free reorganization under Section 368 of the Internal Revenue Code of 1954 (the "Code");

(2) No gain or loss will be recognized to any holder of Monarch Common Stock, who exchanges his shares for Pitney-Bowes Common Stock pursuant to the merger, under Section 354 of the Code;

(3) The basis to each shareholder of Monarch of the shares of Pitney-Bowes Common Stock received by such shareholder pursuant to the merger will be the same as the cost or other basis of such shareholder's shares of Monarch Common Stock surrendered in exchange therefor, under Section 358 of the Code;

(4) The holding period of shares of Pitney-Bowes Common Stock received by a shareholder of Monarch pursuant to the merger will include the period during which such shareholder held the shares of Monarch Common Stock which are surrendered in exchange for Pitney-Bowes Common Stock, under Section 1223 of the Code;

(5) The sale of any fractional interest in the Pitney-Bowes Common Stock received by or on behalf of a Monarch shareholder pursuant to the merger will result in gain or loss measured by the difference between the basis of the fractional interest and the proceeds of the sale, which gain or loss under Subchapter P of Chapter 1 of the Code will be recognized as capital gain or loss with respect to interests held as capital assets; and

(6) Gain or loss will be recognized to those shareholders of Monarch who dissent from the merger and receive payment in cash for the fair value of their shares; which gain or loss under Subchapter P of Chapter 1 of the Code will be recognized as capital gain or loss with respect to shares held as capital assets.

In the event of termination by either of the Constituent Corporations as provided above, written notice thereof shall forthwith be given to the other Constituent Corporation.

10. *Effective Date of Merger.* This Agreement shall be submitted to the stockholders of the Constituent Corporations as provided by law and, following adoption thereof by the stockholders of each of the Constituent Corporations in accordance with the requirements of applicable law, and upon the filing and recording of this Agreement and any required certificate pursuant to Section 1701.80 of the Ohio Revised Code and Section 252(c) of the General Corporation Law of Delaware, the merger shall become effective at the close of business on the date when all such procedures have been completed, such time of effectiveness being deemed to be "the effective date of the merger" for the purposes of this Agreement. Such filings shall not be made earlier than the eleventh day after the taking of the vote of the shareholders of Monarch adopting this Agreement unless otherwise agreed by the Board of Directors or Executive Committee of Pitney-Bowes and the Board of Directors of Monarch.

11. *Information and Cooperation.* The Constituent Corporations agree to provide access to information and cooperation as follows:

(a) From time to time prior to the effective date of the merger Monarch shall give to Pitney-Bowes full access to its books, records, plants and other facilities and shall comply with all reasonable requests for the furnishing of information and documents to Pitney-Bowes.

(b) In the event that this Agreement is terminated each of the Constituent Corporations shall return all documents furnished hereunder and shall hold all information received pursuant hereto in the same degree of confidence with which it maintains its own like information until such information becomes a matter of public knowledge. The disclosure by either Constituent Corporation of any invention as to which a patent application has not yet been filed shall not be deemed to affect or compromise in any way any right or title to such invention or any rights to proceed with a patent application with respect thereto, and no license or shopright shall be implied therefrom.

(c) Each of the Constituent Corporations shall cooperate with the other in every way in carrying out the transactions contemplated herein, in delivering instruments to perfect the conveyances, assignments and transfers contemplated herein, and in delivering all documents and instruments deemed reasonably necessary or useful by counsel for either party.

12. *Costs.* The Constituent Corporations agree, and upon the merger becoming effective the Surviving Corporation agrees, with respect to costs as follows:

(a) Monarch agrees to submit to Pitney-Bowes on or before the effective date of the merger an itemized list of all estimated costs which it expects to incur in connection with this Agreement and the merger, including legal and accounting fees, and further agrees to consult in good faith with Pitney-Bowes with respect to the incurring of costs; and the Surviving Corporation agrees to pay all reasonable costs of the Constituent Corporations in connection with this Agreement and the merger. If for any reason the merger is not consummated and this Agreement is terminated, each Constituent Corporation shall bear the expenses incurred by it in connection with the proposed merger.

(b) Neither Monarch nor Pitney-Bowes has incurred or will incur any liability for brokerage fees or agents' commissions in connection with this Agreement or the transactions contemplated herein, except that upon the merger becoming effective the Surviving Corporation shall pay or cause to be paid to McDonald & Company, Cleveland, Ohio, a fee in the amount of $.15 per share of Monarch Common Stock outstanding at the effective date of the merger.

13. *Non-Survival of Representations and Warranties; Remedies.* None of the representations, warranties, or agreements herein of either of the parties hereto shall survive the effective date of the merger, except the obligations of the Surviving Corporation under Section 1, Section 5, Section 8, Section 9(b) (viii) and Section 12. In the event of any breach, non-fulfillment or non-performance of, any such non-surviving representation, warranty or agreement of either party, the sole remedy of the other party shall be the termination of this Agreement and the abandonment of the merger, and there shall be no right to recover damages or to obtain other relief by reason of any such breach, non-fulfill-

ment or non-performance. The representations and warranties contained herein or made pursuant hereto are in no way intended for the benefit of the stockholders of the Surviving Corporation.

14. *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed by registered mail, postage prepaid, as follows:

(a) If to Pitney-Bowes, to

Pitney-Bowes, Inc.
Walnut and Pacific Streets
Stamford, Connecticut 06904
Attention: Secretary

(b) If to Monarch, to

The Monarch Marking System Company
Dayton, Ohio 45412
Attention: Secretary

15. *Amendment.* This Agreement may be amended or modified in whole or in part at any time prior to its approval by the stockholders of Pitney-Bowes or Monarch by an agreement in writing executed in the same manner as this Agreement after authorization to do so by the Boards of Directors of the Constituent Corporations.

IN WITNESS WHEREOF, this Agreement and Plan of Merger has been signed on behalf of Pitney-Bowes and Monarch by their respective Presidents and Secretaries, and each such corporation has caused its corporate seal to be hereunto affixed and attested, all as of the date first above written.

PITNEY-BOWES, INC.

By JOHN O. NICKLIS
President

By EDWARD M. HARRIS, JR.
Secretary

PITNEY-BOWES, INC.
-CORPORATE SEAL-
1920
DELAWARE

(Corporate Seal)

ATTEST:

EDWARD M. HARRIS, JR.
Secretary

THE MONARCH MARKING SYSTEM COMPANY

By JOHN E. KOHNLE
President

By HARRY J. W. FRAVERT
Secretary

THE MONARCH MARKING SYSTEM COMPANY
SEAL
DAYTON, OHIO

(Corporate Seal)

ATTEST:

HARRY J. W. FRAVERT
Secretary

STATE OF CONNECTICUT }
COUNTY OF FAIRFIELD } ss.:

BE IT REMEMBERED, that on this 15th day of March, 1968, personally came before me, a notary public in and for the state and county aforesaid, JOHN O. NICKLIS, President of Pitney-Bowes, Inc., a Delaware corporation, and one of the corporations described in and which executed the foregoing Agreement and Plan of Merger, known to me personally to be such, and acknowledged the said Agreement and Plan of Merger to be the act, deed and agreement of said corporation and the facts stated therein to be true; that his signature thereon as such President is in his proper handwriting; that the signature of Edward M. Harris, Jr. thereon as Secretary of said corporation is in the proper handwriting of said Edward M. Harris, Jr.; and that the seal affixed to said Agreement and Plan of Merger is the common or corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

SANTA M. GANGI
NOTARY PUBLIC
CONNECTICUT

SANTA M. GANGI
Notary Public
My Commission Expires March 31, 1971

[SEAL]

STATE OF OHIO }
COUNTY OF MONTGOMERY } ss.:

BE IT REMEMBERED, that on this 21st day of March, 1968, personally came before me, a notary public in and for the state and county aforesaid, JOHN E. KOHNLE, President of The Monarch Marking System Company, an Ohio corporation, and one of the corporations described in and which executed the foregoing Agreement and Plan of Merger, known to me personally to be such, and acknowleged the said Agreement and Plan of Merger to be the act, deed and agreement of said corporation and the facts stated therein to be true; that his signature thereon as such President is in his proper handwriting; that the signature of Harry J. W. Fravert thereon as Secretary of said corporation is in the proper handwriting of said Harry J. W. Fravert; and that the seal affixed to said Agreement and Plan of Merger is the common or corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

NOTARY SEAL
MONTGOMERY COUNTY, OHIO

ALBERTA V. FRANKE
Notary Public
ALBERTA V. FRANKE, Notary Public
In and for Montgomery County, Ohio.
My Commission Expires Dec. 21, 1971.

[SEAL]

I, EDWARD M. HARRIS, JR., Secretary of Pitney-Bowes, Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certify, as such secretary and under the seal of the said corporation, that the Agreement and Plan of Merger to which this certificate is attached, after having been first duly signed on behalf of the said corporation and having been signed on behalf of The Monarch Marking System Company, a corporation of the State of Ohio, was duly submitted to the stockholders of said Pitney-Bowes, Inc. at the annual meeting of said stockholders called and held separately from the meeting of stockholders of any other corporation after at least 20 days' notice by mail as provided by section 252 and section 251 of Title 8 of the Delaware Code of 1953 on the 1st day of May, 1968, for the purpose, among others, of considering and taking action upon the proposed Agreement and Plan of Merger; that 4,586,914 shares of Common Stock and 240,000 shares of 4% Convertible Cumulative Preferred Stock of said corporation were on said date issued and outstanding; that the proposed Agreement and Plan of Merger was approved by the stockholders by an affirmative vote representing at least two-thirds of the total number of shares of each of the outstanding classes of capital stock of said corporation, and that thereby the Agreement and Plan of Merger was at said meeting duly adopted as the act of the stockholders of said Pitney-Bowes, Inc. and the duly adopted agreement of said corporation.

WITNESS my hand and the seal of said Pitney-Bowes, Inc. on this 13th day of May, 1968.

PITNEY-BOWES, INC.
-CORPORATE SEAL-
1920
DELAWARE

EDWARD M. HARRIS, JR.
Secretary

(Corporate Seal)

THE ABOVE AGREEMENT AND PLAN OF MERGER, having been executed on behalf of each corporate party thereto, and having been adopted separately by each corporate party thereto, in accordance with the provisions of the General Corporation Law of the State of Delaware, and the General Corporation Law of the State of Ohio, the President of each corporate party thereto does now hereby execute the said Agreement and Plan of Merger and the Secretary of each corporate party thereto does now hereby attest the said Agreement and Plan of Merger under the corporate seals of their respective corporations, by authority of the directors and stockholders thereof, as the respective act, deed and agreement of each of said corporations as of the 13th day of May, 1968.

PITNEY-BOWES, INC.
-CORPORATE SEAL-
1920
DELAWARE

PITNEY-BOWES, INC.

By JOHN O. NICKLIS
President

(CORPORATE SEAL)

ATTEST:

EDWARD M. HARRIS JR.
Secretary

THE MONARCH MARKING SYSTEM COMPANY
SEAL
DAYTON, OHIO

THE MONARCH MARKING SYSTEM COMPANY

By JOHN E. KOHNLE
President

(CORPORATE SEAL)

ATTEST:

HARRY J. W. FRAVERT
Secretary

STATE OF CONNECTICUT
COUNTY OF FAIRFIELD } ss:

BE IT REMEMBERED that on this 13th day of May, 1968, personally came before me, a Notary Public in and for the County and State aforesaid, JOHN O. NICKLIS, President of Pitney-Bowes, Inc., a corporation of the State of Delaware, and he duly executed said certificate before me and acknowledged the said certificate to be his act and deed and the act and deed of said corporation and the facts stated therein are true; and that the seal affixed to said certificate and attested by the Secretary of said corporation is the common or corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

BLANCHE DOLDERER
NOTARY PUBLIC
CONNECTICUT

BLANCHE DOLDERER
Notary Public

NOTARY PUBLIC
My Commission Expires April 1, 1973
FAIRFIELD COUNTY-STAMFORD, CONN.

(SEAL)

STATE OF OHIO
COUNTY OF MONTGOMERY } ss:

BE IT REMEMBERED that on this 13th day of May, 1968, personally came before me, a Notary Public in and for the County and State aforesaid, JOHN E. KOHNLE, President of The Monarch Marking System Company, a corporation of the State of Ohio, and he duly executed said certificate before me and acknowledged the said certificate to be his act and deed and the act and deed of said corporation and the facts stated therein are true; and that the seal affixed to said certificate and attested by the Secretary of said corporation is the common or corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

RICHARD L. FURRY
NOTARY PUBLIC
STATE OF OHIO

RICHARD L. FURRY
Notary Public

RICHARD L. FURRY, Attorney at Law
Notary Public, State of Ohio
My Commission has no expiration date
Section 147.03 R. C.

(SEAL)

Appendix A
to Exhibit 1

CERTIFICATE OF INCORPORATION

of

PITNEY-BOWES, INC.

As Amended

We, the undersigned, for the purpose of forming a corporation under the General Corporation Laws of the State of Delaware, DO HEREBY CERTIFY:—

First:—That the name of the Corporation is Pitney-Bowes, Inc.

Second:—The address of the Corporation's registered office in Delaware is 100 West Tenth Street, Wilmington, New Castle County, Delaware, and the name of its registered agent at such address is The Corporation Trust Company.

Third:—The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

Fourth:—The total number of shares of all classes of stock which the Corporation shall have authority to issue is 10,600,000 shares, of which 600,000 shares shall be Cumulative Preferred Stock (hereinafter called 'Preferred Stock') with the par value of $50 each, and 10,000,000 shares shall be Common Stock with the par value of $2 each. The Corporation may issue and sell its shares of Preferred Stock and Common Stock from time to time for such consideration not less than the par value thereof, as may be fixed from time to time by the Board of Directors, without offering the same to any of the holders of outstanding stock of any class. The minimum amount of capital with which the Corporation shall commence business shall not be less than $100,000.

I. PROVISIONS RELATING TO PREFERRED STOCK

A. Issuance in Series

(1) The Preferred Stock may be issued from time to time in one or more series, each such series to have such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as are stated and expressed herein and in any resolution or resolutions providing for the issue of such series adopted by the Board of Directors as hereinafter provided.

(2) Authority is hereby expressly vested in the Board of Directors of the Corporation, subject to the provisions of this Article Fourth, to authorize the issue of one or more series of Preferred Stock and with respect to each series to fix, by resolution or resolutions providing for the issue of such series,

(a) the number of shares to constitute such series (which number may be increased or decreased by action of the Board of Directors of the Corporation as provided by law) and the distinctive designation thereof;

(b) the dividend rate on the shares of such series, the date or dates from which dividends shall accumulate and the dividend payment dates;

(c) The premium, if any, over and above the par value thereof and accrued dividends thereon, payable upon the redemption of shares of such series otherwise than by or through a retirement, purchase or sinking fund;

(d) whether or not the shares of such series shall be subject to the operation of a retirement, purchase or sinking fund, and, if so, the terms and provisions relative to the operation thereof, including the premium, if any, over and above the par value thereof and accrued dividends thereon, payable on redemption by or through such fund;

(e) whether or not the shares of such series shall be made convertible into or exchangeable for shares of any other class or classes of stock of the Corporation or of any other series of the same class of stock of the Corporation, or shares of any other corporation, and, if made so convertible or exchangeable, the conversion or exchange price or prices or ratio or ratios or rate or rates at which such conversion or exchange may be made, the method (if any) of adjusting the same, and the other terms of such conversion or exchange;

(f) the premium, if any, over and above the par value thereof and accrued dividends thereon, which shares of such series shall be entitled to receive upon the voluntary liquidation, dissolution or winding up of the Corporation; and

(g) any other preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of such series not inconsistent with the provisions of this Article Fourth.

(3) Each share of any one series of Preferred Stock shall be identical with all other shares of such series in all respects, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall accumulate. All series of Preferred Stock shall rank equally and be identical in all respects except as permitted by the foregoing provisions of this subheading A.

B. Dividend Rights and Restrictions

(1) The holders of the Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the assets of the Corporation legally available therefor, cumulative dividends at the respective rates per annum fixed by the Board of Directors for the shares of the respective series, and no more, payable on such dates as shall be fixed by the Board of Directors for the shares of the respective series. Such dividends shall be cumulative as to each share from the date fixed by the Board of Directors pursuant to the provisions of paragraph (2) under subheading A of this heading I.

(2) No full dividend shall be declared or paid or set apart for payment on the Preferred Stock of any series for any dividend period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on all the outstanding Preferred Stock of all series for all dividend periods terminating on or prior to the date of payment of such full dividend. When dividends are not paid in full as aforesaid on all shares of all series of the Preferred Stock at the time outstanding, any dividend payments on the Preferred Stock, including accumulations, if any, shall be paid to the holders of shares of all series of the Preferred Stock ratably in proportion to the respective sums which such holders would receive if all dividends thereon accrued to the date of payment were declared and paid in full. Accumulations of dividends shall not bear interest.

(3) No dividend (other than a dividend in Common Stock or in any other class of stock ranking junior to the Preferred Stock as to assets and dividends) shall be declared or paid or set aside for payment or other distribution declared or made upon the Common Stock or upon any other class of stock ranking junior to the Preferred Stock as to assets or dividends, nor shall any Common Stock of the Corporation nor any other class of stock of the Corporation ranking junior to the Preferred Stock as to assets or dividends be redeemed, purchased or otherwise acquired for any consideration by the Corporation (except by conversion into or exchange for stock of the Corporation ranking junior to the

Preferred Stock as to assets and dividends) or any Subsidiary thereof (as defined under subheading G of this heading I), while any of the Preferred Stock is outstanding, unless, in each case,

(a) the full cumulative dividends on all outstanding shares of the Preferred Stock shall have been paid for all past dividend periods and the full cumulative dividend on all such shares of Preferred Stock for the current dividend period or periods shall have been declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment;

(b) the Corporation shall have made all payments, if any, then or theretofore due under the requirements of all retirement, purchase or sinking funds, if any, for the Preferred Stock and all defaults in complying with any such requirements shall have been made good.

C. Liquidation Rights

(1) Upon the dissolution, liquidation or winding up of the Corporation, the holders of the shares of Preferred Stock of each series shall be entitled to receive out of the assets of the Corporation (whether capital or surplus) the following amounts, before any payment or distribution shall be made on the Common Stock or on any other class of stock ranking junior to the Preferred Stock as to assets:

(a) in case of any involuntary dissolution, liquidation or winding up of the Corporation, the holders of the shares of Preferred Stock of each series shall be entitled to receive cash in an amount equal to the par value thereof together with a sum equal to all dividends (whether or not earned or declared) on such shares accrued and unpaid thereon to the date of final distribution to the holders of the Preferred Stock at the rate fixed by the Board of Directors for the shares of such series; or

(b) in case of any voluntary dissolution, liquidation or winding up of the Corporation, the holders of the shares of Preferred Stock of each series shall be entitled to receive cash in an amount equal to the par value thereof plus such premium, if any, as shall have been fixed by the Board of Directors for the shares of such series, together with a sum equal to all dividends (whether or not earned or declared) on such shares accrued and unpaid thereon to the date of the final distribution to the holders of the Preferred Stock at the rate fixed by the Board of Directors for the shares of such series.

(2) The sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall be deemed a voluntary dissolution, liquidation or winding up of the Corporation for the purposes of this subheading C, but the merger or consolidation of the Corporation into or with any other corporation or the merger or consolidation of any other corporation into or with the Corporation, if consented to by the holders of 66⅔% of all the shares of Preferred Stock at the time outstanding as provided in paragraph (3) under subheading E of this heading I (or if, by reason of the provisions of subparagraph (c) of such paragraph (3), not requiring such consent), shall not be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this subheading C or for the purposes of subheading B of heading II of this Article Fourth.

(3) After the payment to the holders of the Preferred Stock of the full preferential amounts aforesaid, the holders of the Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(4) If the assets distributable on such dissolution, liquidation or winding up, whether voluntary or involuntary, shall be insufficient to permit the payment to the holders of the Preferred Stock of the full preferential amounts aforesaid, then such assets or the proceeds thereof shall be distributed among the holders of the Preferred Stock ratably in proportion to the respective amounts the holders of such shares of stock would be entitled to receive if they were paid the full preferential amounts aforesaid.

D. Redemption

(1) The Corporation shall have the right to redeem the Preferred Stock of any series at any time, either in whole or in such portions as from time to time the Board of Directors may determine, at the par value thereof, plus an amount equal to accrued and unpaid dividends thereon to the date fixed for redemption (hereinafter referred to as the "Redemption Date") and in addition thereto the amount of such premium, if any, payable upon such redemption as shall be fixed for the shares of such series by the Board of Directors (the total sum so payable upon any redemption being hereinafter referred to as the "Redemption Price").

(2) At its election, the Corporation, on or prior to the Redemption Date, may deposit the aggregate of the Redemption Price of the shares to be redeemed with a bank or trust company in the Borough of Manhattan, City and State of New York having a capital and surplus (as shown by its latest published statement) of at least $5,000,000 (hereinafter referred to as the "Depositary") designated by the Board of Directors, in trust for payment to the holders of the Preferred Stock then to be redeemed.

(3) In the event that less than all of the outstanding shares of Preferred Stock of any series are to be redeemed, the number of shares to be redeemed shall be determined by the Board of Directors and the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board of Directors or by such other method as may be approved by the Board of Directors to conform to any rule or regulation of the New York Stock Exchange or any other stock exchange upon which the Preferred Stock may at the time be listed.

(4) Notice of any redemption of Preferred Stock, specifying the time and place of redemption, shall be mailed to each holder of record of the shares of Preferred Stock to be redeemed, at his address registered with the Corporation, not more than 60 nor less than 30 days prior to the Redemption Date; if less than all the shares owned by such shareholder are then to be redeemed, the notice shall also specify the number of shares thereof which are to be redeemed. Also, notice of any such redemption, specifying the number of shares of Preferred Stock to be redeemed and the time and place of redemption, and, if less than all the outstanding shares of any series are to be redeemed, the certificate numbers of the series to be redeemed, shall be published once, not more than 60 nor less than 30 days prior to the Redemption Date, in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, City and State of New York.

(5) Notice of redemption having been so mailed and published, the shares of Preferred Stock therein designated for redemption shall not be entitled to any dividends accruing after the Redemption Date specified in such notice, unless default be made in the payment of the Redemption Price or in the deposit thereof as provided in paragraph (2) under this subheading D, and on such Redemption Date, or if the deposit provided for in paragraph (2) under this subheading D shall have been made and the Corporation shall have stated in such notice of redemption that the Redemption Price of such shares will be payable before the Redemption Date on an earlier date therein specified, then on such earlier date, all rights of the respective holders of such shares as shareholders of the Corporation by reason of the ownership of such shares, shall cease, except any unexpired conversion or exchange right and the right to receive the Redemption Price of such shares upon presentation and surrender of the respective certificates representing such shares, and such shares shall not after such Redemption Date or after such earlier date, as the case may be, be deemed to be outstanding. In case less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

(6) Any funds deposited with the Depositary as provided in paragraph (2) under this subheading D for the redemption of Preferred Stock which shall not be required for such redemption by reason of the exercise, subsequent to the date of such deposit, of any right of conversion or exchange, or otherwise, shall be returned to the Corporation forthwith. Any funds deposited with the Depositary as aforesaid for the redemption of shares of Preferred Stock remaining unclaimed at the end of six years from and after the Redemption Date in respect of which such funds were deposited shall be returned to the Corporation forthwith and thereafter the holders of such shares of Preferred Stock shall look only to the

Corporation for the payment of the Redemption Price thereof. Any interest accrued on any funds deposited with the Depositary shall belong to the Corporation and shall be paid to it from time to time on demand.

(7) The provisions of the subheading D shall apply to redemptions made for the purpose of complying with the requirements of any retirement, purchase or sinking fund with respect to shares of any series of the Preferred Stock, provided, however, that the premium, if any, payable on any redemption for such retirement, purchase or sinking fund shall be as fixed for the shares of the particular series by the Board of Directors.

(8) In order to facilitate the redemption of any shares of Preferred Stock, the Board of Directors is authorized to cause the transfer books of the Corporation to be closed as to the shares of the particular series to be redeemed.

(9) Any shares of Preferred Stock which shall at any time have been redeemed, or which shall at any time have been surrendered for cancellation pursuant to any retirement, purchase or sinking fund with respect to any series of the Preferred Stock, or which shall have been converted or exchanged for shares of any other class of stock of the Corporation, shall, after such redemption, surrender, conversion or exchange, have the status of authorized but unissued shares of Preferred Stock, without designation as to series until such shares are designated as part of a particular series by the Board of Directors.

(10) Regardless of any other provision hereof, if at any time the Corporation shall fail to pay dividends in full upon all the then outstanding shares of the Preferred Stock, thereafter and until dividends in full shall have been declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment upon all such shares, the Corporation shall not redeem for any purpose any Preferred Stock unless all of the Preferred Stock at the time outstanding is simultaneously redeemed, and neither the Corporation nor any Subsidiary shall purchase any Preferred Stock except in accordance with a purchase offer made to all holders of the Preferred Stock at the time outstanding upon the same terms (except that, if more than one series of Preferred Stock is at the time outstanding, the terms may include appropriate variations as between the respective series by reason of the differing provisions thereof); provided that the provisions of this paragraph (10) shall not prevent shares of Preferred Stock of any series acquired by the Corporation prior to any such failure to pay dividends in full from being applied at any time by the Corporation to the satisfaction of the requirements of any retirement, purchase or sinking fund with respect to such series of Preferred Stock.

E. Voting Rights

(1) Except as otherwise expressly provided by law and by paragraphs (2), (3) and (4) under this subheading E, the holders of shares of Preferred Stock shall have no right to vote for the election of directors or for any other purpose or on any other subject or to be represented at or to receive notice of any meeting of stockholders.

(2) In the event that at any time, or from time to time,

(a) six or more quarterly dividends, whether consecutive or not, on any series of the Preferred Stock shall be in arrears and unpaid, whether or not earned or declared; or

(b) the Corporation shall have failed to set apart for the retirement or purchase of the Preferred Stock any amount then required by any retirement, purchase or sinking fund with respect to any series of Preferred Stock to be set apart; or

(c) after setting any such amount apart, the Corporation shall be in default in applying the same in the manner provided with respect to such fund;

thereafter the holders of the Preferred Stock of all series then outstanding shall be entitled to receive notice of all meetings of stockholders for the election of directors, and at each such meeting shall be entitled, voting separately as a class, to elect one-third of the total number of directors of the Corporation but not less than three directors. At any time after the holders of the Preferred Stock shall have

become entitled as aforesaid to vote for the election of directors, a meeting of the stockholders for the election of new directors shall be called, upon the same notice as is required for the annual meeting of stockholders, by the Secretary of the Corporation upon the request of the holders of record of at least 10% of the shares of Preferred Stock at the time outstanding, or may be called, upon such notice, by the holders of record of at least 10% of the shares of Preferred Stock at the time outstanding. The term of office of the directors of the Corporation shall terminate upon the election of new directors at such meeting, and the new directors elected at such meeting shall serve until the next annual meeting of stockholders and until their successors shall be elected, except as hereinafter provided in case the voting rights of the holders of the Preferred Stock for the election of directors shall cease. Such voting rights of the holders of the Preferred Stock for the election of directors shall continue until

(i) all dividends on the Preferred Stock in arrears shall have been paid in full and dividends on the Preferred Stock for the current dividend period or periods shall have been declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment, and

(ii) all amounts for the retirement or purchase of the Preferred Stock which the Corporation shall have failed to set apart or apply shall have been set apart in full or applied, as the case may be,

in which event the voting rights of the holders of the Preferred Stock for the election of directors shall cease, subject to revival, as aforesaid, upon the occurrence of any of the events specified in subdivisions (a), (b) or (c) of this paragraph (2). At any time after the holders of the Preferred Stock shall cease, as aforesaid, to be entitled to vote for the election of directors, a meeting of the stockholders for the election of new directors shall be called, upon the same notice as is required for the annual meeting of stockholders, by the Secretary of the Corporation upon the request of the holders of record of at least 10% of the shares of Common Stock at the time outstanding, or may be called, upon such notice, by the holders of record of at least 10% of the shares of Common Stock at the time outstanding. The term of office of the directors of the Corporation shall terminate upon the election of new directors at such meeting, and the new directors elected at such meeting shall serve until the next annual meeting of stockholders and until their successors shall be elected, except as hereinabove provided in case the holders of the Preferred Stock shall again become entitled to vote for the election of directors.

(3) Unless the vote or consent of the holders of a greater number of shares of Preferred Stock shall then be required by law, the consent of the holders of at least 66⅔% of all of the shares of Preferred Stock at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of the Preferred Stock of all series shall vote separately as a class, shall be necessary for authorizing, effecting or validating any one or more of the following (subject to the provisions of paragraph (5) under this subheading E applicable in case of the simultaneous redemption of all of the Preferred Stock at the time outstanding):

(a) the creation, authorization or issue of any shares of any class of stock of the Corporation ranking prior to the Preferred Stock as to dividends or assets or otherwise, or the reclassification of any authorized stock of the Corporation into any such prior shares, or the creation, authorization or issue of any obligation or security convertible into any such prior shares; or

(b) the amendment, alteration or repeal of any of the provisions of the certificate of incorporation of the Corporation, or of any certificate amendatory thereof or supplemental thereto, so as to affect adversely the preferences, rights, powers or privileges of the Preferred Stock or the holders thereof, provided, however, that if such amendment, alteration or repeal shall so affect less than all the series of the Preferred Stock at the time outstanding, then only the consent of the holders of 66⅔% of the outstanding shares of the series so affected shall be necessary, unless at the time the laws of the State of Delaware shall otherwise require; or

(c) the voluntary liquidation, dissolution or winding up of the Corporation, or the sale, lease or conveyance of all or substantially all of the property or business of the Corporation or the parting with control thereof, or the merger or consolidation of the Corporation into or with any other corporation or the merger or consolidation of any other corporation into or with the Corporation;

provided, however, that such restriction shall not apply to nor shall any consent of the holders of the Preferred Stock be required for the merger or consolidation of the Corporation into or with a Subsidiary or the merger or consolidation of any Subsidiary into or with the Corporation if none of the preferences, rights, powers or privileges of the Preferred Stock or the holders thereof will be adversely affected thereby, and if the corporation resulting from such merger or consolidation will have authorized or outstanding after such merger or consolidation no class of stock or other securities (except such stock or securities of the Corporation as may have been authorized or outstanding immediately preceding such merger or consolidation) ranking prior to or on a parity with the Preferred Stock as to dividends or assets or otherwise.

(4) Unless the vote or consent of the holders of a greater number of shares of Preferred Stock shall then be required by law, the consent of the holders of at least a majority of all of the shares of Preferred Stock at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of the Preferred Stock of all series shall vote separately as a class, shall be necessary for authorizing, effecting or validating any one or more of the following (subject to the provisions of paragraph (5) under this subheading E applicable in case of the simultaneous redemption of all of the Preferred Stock at the time outstanding):

any increase of the authorized amount of the Preferred Stock, or the creation, or authorization of any shares of any other class of stock of the Corporation ranking on a parity with the Preferred Stock as to dividends or assets or otherwise, or the reclassification of any authorized stock of the Corporation into any such parity shares, or the creation or authorization of any obligation or security convertible into any such parity shares.

(5) Notwithstanding the provisions of paragraphs (3) and (4) under this subheading E, no vote or consent of the holders of the Preferred Stock shall be required to create, authorize or issue any shares of any class of stock of the Corporation ranking prior to or on a parity with the Preferred Stock as to dividends or assets or otherwise, if it is provided that no such prior or parity shares may be issued unless prior to or simultaneously with the issue thereof.

(a) the Redemption Price of all the Preferred Stock at the time outstanding shall be deposited with a Depositary as provided in paragraph (2) under subheading D hereof, and

(b) provision shall be made for the redemption of all such Preferred Stock in accordance with the provisions under such subheading D on a Redemption Date not more than 35 days after such issue.

F. No Preemptive Rights

None of the holders of shares of the Preferred Stock shall be entitled as such, as a matter of right, to purchase, subscribe for or otherwise acquire any new or additional shares of stock of the Corporation of any class, or any options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares, or any shares, notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares.

G. Definitions

For the purposes of this heading I,

(a) the term "outstanding" used in reference to Preferred Stock shall mean issued shares of Preferred Stock, excluding shares held by the Corporation or a Subsidiary;

(b) the term "Subsidiary" shall mean any corporation, association or business trust a majority of the shares of stock of which at the time outstanding having voting power for the election of directors or trustees, either at all times or only so long as no senior class of stock has voting powers because of default in dividends or because of the existence of some other default, is owned directly or indirectly by the Corporation and/or by one or more of its other Subsidiaries.

II. PROVISIONS RELATING TO COMMON STOCK

A. Dividend Rights

Subject to the prior rights of all classes of stock having prior rights as to dividends at the time outstanding, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

B. Liquidation Rights

Upon the dissolution, liquidation or winding up of the Corporation, after the payment in full of all preferential amounts to which the holders of outstanding shares of all classes of stock having prior rights thereto at the time outstanding shall be entitled, the remainder of the assets of the Corporation shall be distributed ratably among the holders of the shares of Common Stock at the time outstanding.

C. Voting Rights

At all meetings of the stockholders, each holder of record of Common Stock shall be entitled to vote and shall have one vote for each share held by him of record.

III. TERMS OF 4% CONVERTIBLE CUMULATIVE PREFERRED STOCK
(as specified in resolution of the Board of Directors adopted April 24, 1967)

RESOLVED, that 240,000 shares of the total authorized amount of 600,000 shares of Cumulative Preferred Stock be issued and constitute a single series designated "4% Convertible Cumulative Preferred Stock" (hereinafter called the "Series"), such Series to have the voting powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, set forth in heading I of Article Fourth of the Certificate of Incorporation, as heretofore amended, and hereinafter set forth:

1. The dividend rate on the Series shall be 4% per annum, and dividends thereon shall be payable quarterly on the first days of February, May, August and November in each year. Dividends on shares of the Series shall be cumulative from and after the respective dates of issue thereof.

2. The premium, over and above the par value thereof and accrued dividends thereon, payable upon redemption of shares of the Series pursuant to the provisions of subheading D of heading I or Article Fourth of the Certificate of Incorporation as amended, shall be the following amounts per share:

$2.00 if the redemption date is prior to May 1, 1972;
$1.25 if the redemption date is on or after May 1, 1972 and prior to May 1, 1977;
$0.50 if the redemption date is on or after May 1, 1977 and prior to May 1, 1982;
$0.00 if the redemption date is on or after May 1, 1982.

3. The premium, over and above the par value thereof and accrued dividends thereon, which shares of the Series shall be entitled to receive upon the voluntary liquidation, dissolution or winding up of the Company pursuant to the provisions of subheading C of heading I of Article Fourth of the Certificate of Incorporation as amended, shall be the same premium, if any, as would be payable pursuant to the provisions of the foregoing paragraph (2) of this resolution if all such shares were called for redemption on the date of the final distribution to the holders of the Series.

4. The holders of shares of this Series shall have the right, at their option, to convert such shares into shares of Common Stock of the Company at any time on and subject to the following terms and conditions:

(1) The shares of this Series shall be convertible at the office of any Transfer Agent, and at such other office or offices, if any, as the Board of Directors may designate, into full paid and non-assessable

shares (calculated as to each conversion to the nearest 1/100th of a share) of Common Stock of the Company, at the conversion price, determined as hereinafter provided, in effect at the time of conversion, each shares of this Series being taken at $50 for the purpose of such conversion. The price at which shares of Common Stock shall be delivered upon conversion (herein called the "conversion price") shall be initially $70 per share of Common Stock. The conversion price shall be reduced in certain instances as provided in paragraphs (3), (9) and (10) below, and shall be increased in certain instances as provided in paragraph (10) below. No payment or adjustment shall be made upon any conversion on account of any dividends accrued on the shares of this Series surrendered for conversion or on account of any dividends on the Common Stock issued upon such conversion.

(2) In order to convert shares of this Series into Common Stock the holder thereof shall surrender at any office hereinabove mentioned the certificate or certificates therefor, duly endorsed to the Company or in blank, and give written notice to the Company at said office that he elects to convert such shares. Shares of this Series shall be deemed to have been converted immediately prior to the close of business on the day of the surrender of such shares for conversion as provided above, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date, the Company shall issue and shall deliver at said office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with a scrip certificate for, or cash in lieu of, any fraction of a share, as hereinafter provided, to the person or persons entitled to receive the same. In case shares of this Series are called for redemption, the right to convert such shares shall cease and terminate at the close of business on the Redemption Date, unless default shall be made in payment of the redemption price.

(3) In case the conversion price in effect immediately prior to the close of business on any day shall exceed by 50 cents or more the amount determined at the close of business on such day by dividing:

(i) a sum equal to (a) 4,565,687 multiplied by $70 (being the initial conversion price), plus (b) the aggregate of the amounts of all consideration received by the Company upon the issuance of Additional Shares of Common Stock (as hereinafter defined), minus (c) the aggregate of the amounts of all dividends and other distributions which have been paid or made after May 1, 1967 on Common Stock of the Company, other than in cash out of its earned surplus or in Common Stock of the Company, by

(ii) the sum of (a) 4,565,687 and (b) the number of Additional Shares of Common Stock which shall have been issued,

the conversion price shall be reduced, effective immediately prior to the opening of business on the next succeeding day, by an amount equal to the amount by which such conversion price shall exceed the amount so determined. The foregoing amount of 50 cents (or such amount as theretofore adjusted) shall be subject to adjustment as provided in paragraphs (9) and (10) below, and such amount (or such amount as theretofore adjusted) is referred to in such paragraphs as the "Differential Amount."

(4) The term "Additional Shares of Common Stock" as used herein shall mean all shares of Common Stock issued by the Company after May 1, 1967 (including shares deemed to be "Additional Shares of Common Stock" pursuant to paragraph (10) below), whether or not subsequently reacquired or retired by the Company, other than:

(i) shares issued upon conversion of shares of this Series;

(ii) shares issued upon exercise of options granted or to be granted pursuant to the Company's Stock Purchase Plans as in effect on May 1, 1967, in an aggregate number of shares not exceeding the number of shares issuable under such Plans as in effect on such date (or such number of shares as adjusted pursuant to anti-dilution provisions of such Plans); and

(iii) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares of Common Stock by the foregoing clauses (i) or (ii) or this clause (iii) or on shares of Common Stock resulting from any subdivision or combination of shares of Common Stock so excluded.

The sale or other disposition of any shares of Common Stock or other securities held in the treasury of the Company shall not be deemed an issuance thereof.

(5) In case of the issuance of Additional Shares of Common Stock for a consideration part or all of which shall be cash, the amount of the cash consideration therefor shall be deemed to be the amount of cash received by the Company for such shares (or, if such Additional Shares of Common Stock are offered by the Company for subscription, the subscription price, or, if such Additional Shares of Common Stock are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred in connection therewith.

(6) In case of the issuance (otherwise than as a dividend or other distribution on any stock of the Company or upon conversion or exchange of other securities of the Company) of Additional Shares of Common Stock for a consideration part or all of which shall be other than cash, the amount of the consideration therefor other than cash shall be deemed to be the value of such consideration as determined by the Board of Directors, irrespective of the accounting treatment thereof. The reclassification of securities other than Common Stock into securities including Common Stock shall be deemed to involve the issuance for a consideration other than cash of such Common Stock immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such Common Stock.

(7) Additional Shares of Common Stock issuable by way of dividend or other distribution on any class of capital stock of the Company shall be deemed to have been issued without consideration, and shall be deemed to have been issued immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, except that if the total number of shares constituting such dividend or other distribution exceeds five per cent of the total number of shares of Common Stock outstanding at the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution such Additional Shares of Common Stock shall be deemed to have been issued immediately after the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution.

A dividend or other distribution in cash or in property (including any dividend or other distribution in securities other than Common Stock) shall be deemed to have been paid or made immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution and the amount of such dividend or other distribution in property shall be deemed to be the value of such property as of the date of the adoption of the resolution declaring such dividend or other distribution, as determined by the Board of Directors at or as of that date. In the case of any such dividend or other distribution on Common Stock which consists of securities which are convertible into or exchangeable for shares of Common Stock, such securities shall be deemed to have been issued for a consideration equal to the value thereof as so determined.

If, upon the payment of any dividend or other distribution in cash or in property (excluding Common Stock but including all other securities), outstanding shares of Common Stock are cancelled or required to be surrendered for cancellation, on a *pro rata* basis, the excess of the number of shares of Common Stock outstanding immediately prior thereto over the number to be outstanding immediately thereafter (less that portion of such excess attributable to the cancellation of shares excluded from the definition of Additional Shares of Common Stock by clauses (i), (ii) or (iii) of paragraph (4) above), shall be deducted from the sum computed pursuant to clause (ii) of paragraph (3) above for the purposes

of all determinations under such paragraph (3) made immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution and at any time thereafter.

The reclassification (including any reclassification upon a consolidation or merger in which the Company is the continuing corporation) of Common Stock into securities including other than Common Stock shall be deemed to involve (a) a distribution on Common Stock of such securities other than Common Stock made immediately prior to the close of business on the effective date of the reclassification, and (b) a combination or subdivision, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter.

The issuance by the Company of rights or warrants to subscribe for or purchase securities of the Company shall not be deemed to be a dividend or distribution of any kind.

(8) In case of the issuance of Additional Shares of Common Stock upon conversion or exchange of other securities of the Company, the amount of the consideration received by the Company for such Additional Shares of Common Stock shall be deemed to be the total of (a) the amount of the consideration, if any, received by the Company upon the issuance of such other securities, plus (b) the amount of the consideration, if any, other than such other securities, received by the Company (except in adjustment of interest or dividends) upon such conversion or exchange. In determining the amount of the consideration received by the Company upon the issuance of such other securities (i) the amount of the consideration in cash and other than cash shall be determined pursuant to paragraphs (5), (6) and (7) above, and (ii) if securities of the same class or series of a class as such other securities were issued for different amounts of consideration, or if some were issued for no consideration, then the amount of the consideration received by the Company upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the Company upon the issuance of all the securities of such class or series, as the case may be.

(9) In case Additional Shares of Common Stock are issued as a dividend or other distribution on any class of capital stock of the Company, and the total number of shares constituting such dividend or other distribution exceeds five per cent of the total number of shares of Common Stock outstanding at the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, the conversion price and the Differential Amount in effect at the opening of business on the day following the date fixed for such determination shall be reduced by multiplying each of them by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reductions to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (9), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock (other than shares of Common Stock which, upon issuance, would not constitute Additional Shares of Common Stock). The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(10) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the conversion price and the Differential Amount in effect at the opening or business on the day following the day upon which such subdivision becomes effective shall each be proportionately reduced, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the conversion price and the Differential Amount in effect at the opening of business on the day following the day upon which such combination becomes effective shall each be proportionately increased, such reductions or increases as the case may be, to become effective immediately after the opening of business on the day following the day upon which

such subdivision or combination becomes effective. ' In the event of any such subdivision, the number of shares of Common Stock outstanding immediately thereafter, to the extent of the excess thereof over the number outstanding immediately prior thereto (less that portion of such excess attributable to the subdivision of shares excluded from the definition of Additional Shares of Common Stock by clauses (i), (ii) or (iii) of paragraph (4) above), shall be deemed to be "Additional Shares of Common Stock" and to have been issued immediately after the opening of business on the day following the day upon which such subdivision shall have become effective and without consideration. In the event of any such combination, the excess of the number of shares of Common Stock outstanding immediately prior thereto over the number outstanding immediately thereafter (less that portion of such excess attributable to the combination of shares excluded from the definition of Additional Shares of Common Stock by clauses (i), (ii) or (iii) of paragraph (4) above), shall be deducted from the sum computed pursuant to clause (ii) of paragraph (3) above for the purposes of all determinations under such paragraph (3) made on any day after the day upon which such combination becomes effective. Shares of Common Stock held in the treasury of the Company and shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock (other than shares of Common Stock which, upon issuance, would not constitute Additional Shares of Common Stock), shall be considered outstanding for the purposes of this paragraph (10).

(11) Whenever the conversion price is adjusted as herein provided:

(a) the Company shall compute the adjusted conversion price in accordance with this Section 4 and shall prepare a certificate signed by the Treasurer of the Company setting forth the adjusted conversion price and showing in reasonable detail the facts upon which such adjustment is based, including a statement of the consideration received or to be received by the Company for, and the amount of, any Additional Shares of Common Stock issued since the last such adjustment, and such certificate shall forthwith be filed with the Transfer Agent or Agents for this Series; and

(b) a notice stating that the conversion price has been adjusted and setting forth the adjusted conversion price shall forthwith be required, and as soon as practicable after it is required, such notice shall be published at least once in a daily newspaper in the City of New York, N. Y., and shall be mailed to the holders of record of the outstanding shares of this Series; provided, however, that if within ten days after the completion of mailing of such a notice, an additional notice is required, such additional notice shall be deemed to be required pursuant to this clause (b) as of the opening of business on the tenth day after such completion of mailing and shall set forth the conversion price as adjusted at such opening of business, and upon the publication and mailing of such additional notice no other notice need be given of any adjustment in the conversion price occurring at or prior to such opening of business and after the time that the next preceding notice given by publication and mail became required.

(12) In case:

(a) the Company shall declare a dividend (or any other distribution) on its Common Stock payable otherwise than in cash out of its earned surplus; or

(b) the Company shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of capital stock of any class or of any other rights; or

(c) of any reclassification of the capital stock of the Company (other than a subdivision or combination of its outstanding shares of Common Stock), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company; then the Company shall cause to be mailed to the Transfer Agent or Agents for this Series and to the holders of record of the outstanding shares of this Series, at least twenty days (or ten days in any case specified in clause (a) or (b) above) prior to the applicable record date hereinafter

specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up.

(13) The Company shall at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of the shares of this Series, the full number of shares of Common Stock then deliverable upon the conversion of all shares of this Series then outstanding.

(14) No fractional shares of Common Stock shall be issued upon conversion, but, instead of any fraction of a share which would otherwise be issuable, the Company shall, at its option, either

(a) issue non-dividend bearing and non-voting scrip certificates for such fraction, such certificates to be in such form and to contain such terms and conditions as the Board of Directors shall at any time or from time to time in its discretion fix and determine, provided that the certificates shall be exchangeable, within such period (which shall end not less than two years following the date of issue thereof) as the Board of Directors shall determine, together with other scrip certificates issued upon conversion of shares of this Series, for stock certificates representing a full share or shares, and upon the expiration of such period shall be exchangeable for cash, as provided in the scrip certificates, within such further period (which shall end not less than six years following the date of issue of such certificates) as the Board of Directors shall determine; or

(b) pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the market price per share of Common Stock (as determined by the Board of Directors) at the close of business on the day of conversion.

(15) The Company will pay any and all taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of shares of this Series pursuant hereto. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of this Series so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Company the amount of any such tax, or has established, to the satisfaction of the Company, that such tax has been paid.

(16) For the purpose of this Section 4, the term "Common Stock" shall include any stock of any class of the Company which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, and which is not subject to redemption by the Company. However, shares issuable on conversion of shares of this Series shall include only shares of the class designated as Common Stock of the Company as of May 1, 1967, or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which are not subject to redemption by the Company; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

5. So long as any shares of the Series are outstanding, the Company shall not declare any cash dividend on its Common Stock, nor shall the Company or any Subsidiary purchase, redeem or otherwise

acquire for a cash consideration any shares of such Common Stock, if, after giving effect to the proposed declaration or acquisition, (i) the aggregate amount of all cash dividends on capital stock of the Company of all classes paid or made after December 31, 1966, plus (ii) the excess, if any, of the aggregate amount of all cash payments made subsequent to such date on account of the purchase, redemption or other acquisition of shares of such Common Stock over the aggregate amount of the net cash proceeds to the Company from sales subsequent to such date of shares of such Common Stock, would exceed $10,000,000 plus (or minus in the case of a deficit) the consolidated net income of the Company and its consolidated Subsidiaries for the period from December 31, 1966 to the end of the last calendar month preceding the date of such proposed declaration or acquisition. For the purposes of this paragraph, Common Stock issued upon conversion of other securities shall be deemed issued for cash amounting, where such other securities were evidences of indebtedness, to their principal amount, and where preferred stock, to their involuntary liquidation preference.

Fifth:—The names and places of residence of each of the original subscribers to the capital stock, and the number of shares subscribed for by each, are as follows:

Name	Residence	No. of Shares
T. L. Croteau	Wilmington, Delaware	8
M. A. Bruce	Wilmington, Delaware	1
S. E. Dill	Wilmington, Delaware	1

Sixth:—This corporation shall have perpetual existence.

Seventh:—The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever.

Eighth:—Subject to by-laws made by the stockholders, the Board of Directors may make by-laws, and from time to time, may alter, amend, or repeal the same. But by-laws made by the Board of Directors may be altered or repealed by the stockholders at any annual or special meeting.

AND WE THE UNDERSIGNED, being each of us an original subscriber to the capital stock as hereinbefore specified, DO HEREBY MAKE AND FILE this Certificate, hereby declaring and certifying that the facts as herein stated are true, and do respectively agree to take the number of shares of stock hereinbefore set forth, and accordingly have hereunto set our hands and seals on this 23rd day of April, 1920.

In the presence of:

Herbert E. Latter

T. L. Croteau
M. A. Bruce
S. E. Dill

STATE OF DELAWARE
COUNTY OF NEW CASTLE } ss.:

BE IT REMEMBERED that on this 23rd day of April, 1920, personally came before me Herbert E. Latter, a notary public for the County of New Castle, State of Delaware, T. L. Croteau, M. A. Bruce and S. E. Dill, being all the parties to the foregoing certificate of incorporation, known to me personally to be such, and they severally acknowledged the said Certificate to be the act and deed of the signers respectively and that the facts therein stated are truly set forth.

GIVEN UNDER my hand and seal of office the day and year aforesaid.

Herbert E. Latter
Notary Public

HERBERT E. LATTER
NOTARY PUBLIC
Appointed Feb. 25, 1919
State of Delaware
Term Two Years

The names of the officers and directors of the Surviving Corporation are as follows:

Walter H. Wheeler, Jr.	Chairman and Director
John O. Nicklis	President and Chief Executive Officer and Director
Fred T. Allen	Executive Vice President for Products and Director
Elwood M. Davis	Executive Vice President for Marketing and Director
James Coggeshall, Jr.	Director
Kempton Dunn	Director
William Ward Foshay	Director
Allan Hoover	Director
John E. Kohnle	Director
Frederick F. Lovejoy, Jr.	Director
Deane W. Malott	Director
James H. Orr	Director
William T. Taylor	Director
Blynn B. Beck	Vice President for Sales
Frederick Bowes, Jr.	Vice President for International Operations
James A. Carter	Vice President for Copier Products
Frank J. Liberty	Vice President for Service
Edward V. McDonough	Vice President for Finance & Treasurer
Joseph J. Morrow	Vice President for Administration
Robert C. Pitney	Vice President for Corporate Development
L. Clarkson Pyle	Vice President, Washington, D. C.
Jay W. Schnackel	Vice President for Manufacturing
James L. Turrentine	Vice President for Employee and Public Relations
Alexander C. Wall	Vice President for Engineering
Edward M. Harris, Jr.	Secretary and General Counsel
Harold C. Thurm	Comptroller
Daniel A. Austin, Jr.	Assistant Secretary and Assistant General Counsel
George B. Harvey	Assistant Treasurer

The addresses of all of the above named officers and directors is c/o Pitney-Bowes, Inc., Walnut and Pacific Streets, Stamford, Connecticut 06904, except Mr. John E. Kohnle whose address is c/o The Monarch Marking System Company, Dayton, Ohio 45412.