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 HERTZ CORPORATION", merging with and into the "RADIO CORPORATION OF AMERICA", under the name of "RADIO CORPORATION OF AMERICA", as received and filed in this office the eleventh day of May, A.D. 1967, at 12:10 o'clock P.M.

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

Elisha C Dukes

Secretary of State

Asst Secretary of State

FORM 121

Certified Copy

AGREEMENT OF MERGER

BETWEEN

RADIO CORPORATION OF AMERICA

AND

THE HERTZ CORPORATION

Dated December 8, 1966

(As filed in the Office of The Secretary of State of the State of Delaware on May 11, 1967)

AGREEMENT OF MERGER

AGREEMENT OF MERGER dated this 8th day of December, 1966 by and between Radio Corporation of America ("RCA" or "Surviving Corporation") and The Hertz Corporation ("Hertz"), and a majority of the directors of each of said corporations (the two corporations sometimes collectively called the "Constituent Corporations").

WITNESSETH

WHEREAS, RCA is a corporation duly organized and existing under the laws of the State of Delaware, having been incorporated on October 17, 1919 by Certificate of Incorporation filed with the Secretary of State and recorded in the office of the Recorder of Deeds of the County of New Castle on that date, said Certificate of Incorporation having been amended from time to time thereafter; its principal office in the State of Delaware is located at 100 West Tenth Street in the City of Wilmington, County of New Castle; and the name of its registered agent at such office is The Corporation Trust Company; and

WHEREAS, Hertz is a corporation duly organized and existing under the laws of the State of Delaware, having been incorporated on April 16, 1923 by Certificate of Incorporation filed with the Secretary of State and recorded in the office of the Recorder of Deeds of the County of New Castle on that date, said Certificate of Incorporation having been amended from time to time thereafter; its principal office in the State of Delaware is located at 229 South State Street in the City of Dover, County of Kent; and the name of its registered agent at such office is The Prentice-Hall Corporation System, Inc.; and

WHEREAS, RCA has an authorized capitalization of 920,300 shares, without par value, of $3.50 Cumulative Convertible First Preferred Stock ("RCA First Preferred Stock"); 16,193 shares, without par value, of "B" Preferred Stock; and 80,000,000 shares, without par value, of Common Stock; and

WHEREAS, Hertz has an authorized capitalization of 1,000,000 shares, without par value, of Preferred Stock, of which 300,000 shares have been designated as Cumulative Convertible Preferred Stock, Series A ("Hertz Series A Preferred Stock"), and 223,234 shares have been designated as Cumulative Convertible Preferred Stock, Series B ("Hertz Series B Preferred Stock"); and 7,000,000 shares, par value $1.00 per share, of Common Stock ("Hertz Common Stock"); and

WHEREAS, the respective Boards of Directors of RCA and Hertz have determined that it is advisable that Hertz be merged into RCA on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein contained, it is agreed that, in accordance with the applicable statutes of the State of Delaware, Hertz shall be and hereby is, at the effective date of the merger, merged into RCA, which shall be the surviving corporation, and that the terms and conditions of such merger and the mode of carrying it into effect shall be as follows:

ARTICLE I

From and after the effective date of the merger and until thereafter amended as provided by law, the Certificate of Incorporation of the Surviving Corporation shall be as set forth in Appendix A attached hereto, which is hereby made a part of this Agreement with the same force

and effect as if herein set forth in full, and said Appendix A, separate and apart from this Agreement, shall be, and may be separately certified as, the Certificate of Incorporation of the Surviving Corporation.

ARTICLE II

The By-laws of RCA in effect on the effective date of the merger shall continue in force and be the By-laws of the Surviving Corporation until altered, amended or repealed.

The directors and officers of RCA in office on the effective date of the merger shall be the directors and officers of the Surviving Corporation and shall hold office as provided in the By-laws of the Surviving Corporation.

ARTICLE III

Hertz shall, prior to the effective date of the merger, cause to be incorporated under the laws of the State of Delaware a new corporation ("New Hertz") with an authorized capitalization of 1,000 shares of Common Stock, par value $1.00 per share, with such name as Hertz shall select, which corporation shall be qualified to do business in each of the jurisdictions in which Hertz is now qualified to do business. On or before the effective date of the merger, Hertz shall transfer all of its assets to New Hertz, which shall assume all of Hertz' liabilities, in exchange for all of the authorized capital stock of New Hertz.

ARTICLE IV

On the effective date of the merger, Hertz shall be merged into RCA, the separate existence of Hertz shall cease and RCA shall continue in existence, and, without other transfer, succeed to and possess all the properties, rights, privileges, immunities, powers, purposes and franchises, as well of a public as of a private nature, and shall be subject to all of the obligations, restrictions, disabilities and duties, of each of the Constituent Corporations, all without further act or deed, as provided in Section 259 of the Delaware General Corporation Law.

If at any time RCA shall consider or be advised that any further assignments, conveyances or assurances in law are necessary or desirable to carry out the provisions hereof, the proper officers and directors of the Constituent Corporations as of the effective date of the merger shall execute and deliver any and all proper deeds, assignments and assurances in law, and do all things necessary or proper to carry out the provisions hereof.

ARTICLE V

The manner and basis of converting shares of stock of each of the Constituent Corporations into shares of stock of the Surviving Corporation shall be as follows:

(a) Each share of Common Stock of RCA issued on the effective date of the merger, including shares held in the treasury of RCA and its subsidiaries, shall continue to be issued and shall be one share of Common Stock, without par value, of the Surviving Corporation ("RCA Common Stock").

(b) Each share of RCA First Preferred Stock outstanding on the effective date of the merger shall continue to be outstanding and shall be one share of $3.50 Cumulative First Preferred Stock, without par value, of the Surviving Corporation.

(c) Each share of Hertz Common Stock issued on the effective date of the merger, excluding shares held in the treasury of Hertz or of New Hertz, and all rights in respect thereof, shall be converted into and exchanged for ½ of a share of RCA Common Stock and ¼ of a share of $4

Cumulative Convertible First Preferred Stock of the Surviving Corporation ("RCA $4 Convertible Preferred Stock").

(d) Each share of Hertz Series A Preferred Stock and of Hertz Series B Preferred Stock issued on the effective date of the merger, and all rights in respect thereof, shall be converted into and exchanged for $^{52}/_{100}$ths of a share of RCA $4 Convertible Preferred Stock.

(e) As soon as practicable after the effective date of the merger, each holder of any outstanding certificate or certificates theretofore representing a share or shares of Hertz Common Stock, Hertz Series A Preferred Stock or Hertz Series B Preferred Stock shall, upon presentation of such certificate or certificates for surrender to the Surviving Corporation or its agents, be entitled to receive in exchange therefor a certificate or certificates representing the whole shares of fully paid and nonassessable RCA Common Stock and RCA $4 Convertible Preferred Stock to which such holder shall be entitled upon the aforesaid basis of exchange. Until so surrendered, each outstanding certificate which prior to the merger represented Hertz Common Stock, Hertz Series A Preferred Stock or Hertz Series B Preferred Stock shall be deemed, for all purposes, to evidence ownership of the number of whole shares of RCA Common and RCA $4 Convertible Preferred Stock into which the same shall have been converted and exchanged, provided, however, that no dividends declared with respect to RCA Common Stock or RCA $4 Convertible Preferred Stock shall be paid to the holder of any unsurrendered certificate for Hertz Common Stock, Hertz Series A Preferred Stock or Hertz Series B Preferred Stock until such holder shall surrender such certificate, at which time the holder shall be paid the amount of dividends, without interest, which theretofore became payable with respect to the whole shares of RCA Common Stock or RCA $4 Convertible Preferred Stock evidenced by such certificate.

(f) No scrip or fractional share certificates of RCA Common Stock or RCA $4 Convertible Preferred Stock will be issued and an outstanding fractional share interest will not entitle the owner thereof to vote, to receive dividends or to any rights of a shareholder with respect to such fractional interest. Instead, the Surviving Corporation will provide an Exchange Agent as agent for the shareholders of Hertz so that for 90 days after the effective date of the merger any shareholder of Hertz entitled to a fractional share interest, upon the surrender of Hertz stock certificates, may purchase or sell the appropriate fractional interest in a share of RCA Common Stock or RCA $4 Convertible Preferred Stock in order to round out his holdings to whole shares. Thereafter, the Exchange Agent will sell, for the account of all owners of the then remaining fractional share interests, shares of RCA Common Stock and RCA $4 Convertible Preferred Stock equivalent to the aggregate fractional interests then outstanding. The Exchange Agent will, until six years after the effective date of the merger, pay to such owners upon surrender of their Hertz stock certificates their pro rata share of the net proceeds of such sale. Upon the expiration of this six-year period, any remaining proceeds of sale shall become the property of the Surviving Corporation.

ARTICLE VI

On the effective date of the merger, the Hertz 1964 Stock Option Plan for Key Employees shall terminate, but such termination shall not alter or impair the rights and obligations under any option granted under such Plan prior to the termination of the Plan. On the effective date of the merger, RCA shall assume Hertz' rights and obligations under each then existing restricted or qualified stock option (whether or not granted under said Plan) to purchase from Hertz shares of Hertz Common Stock (each such option existing immediately prior to the effective date of the merger being called an "Existing Option", and each such option so assumed by RCA being called an "Assumed Option"), in and by which assumption the optionee shall be entitled, for the price per share of Hertz Common Stock specified in his Existing Option and under the terms of said Existing Option, to purchase, as a unit and not separately, ½ share of RCA

Common Stock and ¼ share of RCA $4 Convertible Preferred Stock for each share of Hertz Common Stock with respect to which such Existing Option remains unexercised immediately prior to the merger, provided that the number of shares of RCA Common Stock and RCA $4 Convertible Preferred Stock that may be purchased upon exercise of any such Assumed Option shall not include any fractional share but shall be rounded off to the next lower full share. Each such Assumed Option shall constitute a continuation of the Existing Option, substituting RCA for Hertz, and employment by RCA or any of its subsidiaries for employment by Hertz or any of its subsidiaries, effective as of the effective date of the merger. Otherwise, all of the terms and provisions of each Assumed Option shall be the same as and shall continue all of the terms and provisions of the Existing Option, including, but not limited to, the times when the Assumed Option may be exercised in relation to the date of the granting of the Existing Option, it being the intent of this Article that each Assumed Option shall continue to qualify as a restricted or qualified stock option, as the case may be, under the provisions of the Internal Revenue Code of 1954, as amended. On the effective date of the merger, RCA will issue to each holder of an Existing Option a written instrument evidencing RCA's assumption of such Existing Option.

ARTICLE VII

This Agreement shall be submitted to the shareholders of RCA and the shareholders of Hertz at meetings which shall be held for RCA on May 2, 1967 and for Hertz on May 8, 1967, or such other dates as may be agreed on by the parties, as provided by the applicable laws of the State of Delaware. If this Agreement is duly authorized and adopted by the requisite votes of the shareholders and is not terminated pursuant to the provisions of Article VIII, Section 8 hereof, it shall be filed and recorded in accordance with the laws of the State of Delaware as provided in Article VIII, Section 7 hereof. The merger shall become effective as of the close of business on the day on which this Agreement is filed and recorded, herein sometimes called the "effective date of the merger." The Constituent Corporations shall do all such acts and things as shall be necessary or desirable in order to effectuate the merger.

ARTICLE VIII

SECTION 1. *Representations and Warranties of Hertz.* Hertz represents and warrants as follows:

(a) Hertz is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; has full power and authority to carry on its business as it is now being conducted and to own or hold under lease or similar agreement the properties and assets it now owns or holds under lease or such agreement; is duly qualified to do business and is in good standing in all of the states of the United States (except Alaska and Hawaii, in which, in the opinion of Hertz, it is not required to qualify) and in the District of Columbia; and, subject to the requisite approval by holders of its capital stock, has full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution and delivery of this Agreement do not and, subject to the requisite approval by the holders of the capital stock of Hertz, the approval of the transfer of control of Pennoyer Merchants Transfer Company by the Illinois Commerce Commission, and the receipt of consents to assignments of leases and other contracts where required and any approvals required under agreements pursuant to which Hertz has borrowed money or obtained credit or extensions thereof, the consummation of the transactions contemplated hereby will not, violate any provision of Hertz' Certificate of Incorporation or By-laws, or any provision of, or result in the acceleration of any obligation under, any mortgage, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which Hertz or any of its subsidiaries is a party or by which it or any of them is bound, and will not violate any other restriction of any kind or character to which it or any of them is subject,

excluding, in all cases referred to in this sentence, any violation or acceleration which would not have a material adverse effect upon the financial condition or business of Hertz and its subsidiaries taken as a whole.

The copy of Hertz' Certificate of Incorporation which has been delivered to RCA is complete and correct.

(b) The authorized capital stock of Hertz consists of:

(i) 1,000,000 shares of Preferred Stock, without par value, of which 300,000 shares have been designated as Cumulative Convertible Preferred Stock, Series A, and 223,234 shares have been designated as Cumulative Convertible Preferred Stock, Series B. As of the close of business on November 1, 1966, all shares of the Hertz Series A Preferred Stock and of the Hertz Series B Preferred Stock were validly issued and outstanding, fully paid and nonassessable.

(ii) 7,000,000 shares of Common Stock, par value $1.00 per share, of which as of the close of business on November 1, 1966, 3,829,378 shares were validly issued, fully paid and nonassessable, consisting of 3,791,128 shares outstanding and 38,250 shares held in the treasury. On the same date 113,688 shares of Common Stock were reserved for issuance upon exercise of employee stock options and 523,234 shares were reserved for issuance upon conversion of Hertz Series A Preferred Stock and Hertz Series B Preferred Stock.

There is no existing option, warrant, call or commitment of any character for the issuance or sale by Hertz of its authorized and unissued capital stock or treasury shares other than as referred to above. No Hertz capital stock is owned by any corporation a majority of the outstanding voting stock of which is owned or controlled directly or indirectly by Hertz ("Hertz subsidiary"), except for shares held in the treasury of Hertz which may be transferred to New Hertz.

Hertz has delivered to RCA a complete and correct list (Schedule A) showing the record and beneficial ownership of Hertz capital stock as of November 1, 1966 by each officer and director of Hertz and their associates, as those terms are defined by the rules and regulations of the Securities and Exchange Commission ("SEC"). Except as shown on Schedule A, as of said date there was no person who owned of record or, to the best knowledge of Hertz, owned beneficially 10% or more of the issued and outstanding capital stock of any class of Hertz.

(c) Hertz has delivered to RCA a list (Schedule B), complete and correct as of the date hereof, which sets forth the name and nature of the principal businesses conducted by each Hertz subsidiary, the jurisdictions in which each Hertz subsidiary is incorporated and duly qualified to do business, the percentage of each class of stock of each subsidiary owned by Hertz or any Hertz subsidiary, and the names of other shareholders of any Hertz subsidiary and the percentage of shares of each class of stock owned by each such other shareholder.

All of the outstanding shares of each Hertz subsidiary are validly issued, fully paid and non-assessable, subject only to applicable statutes providing for liability of shareholders for debts, wages, salaries or other amounts due and owing to employees, laborers, servants or clerks. Each Hertz subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; is duly qualified to do business and is in good standing in all other jurisdictions where, in the opinion of Hertz, qualification as a foreign corporation is required; and has full power and authority to carry on its business as it is now being conducted and to own or hold under lease or similar agreement the properties or assets it owns or holds under lease or such agreement. Schedule B also contains a list, complete and correct as of the date hereof, of the name of each corporation (other than a Hertz subsidiary) in which Hertz or any Hertz subsidiary owns any capital stock or other securities; the classes and total number

of outstanding shares of capital stock or other securities of each such corporation; and the classes and number of shares of capital stock or other securities of each such corporation owned by Hertz or any Hertz subsidiary. No shares of capital stock or other securities owned by Hertz or any Hertz subsidiary and no authorized but unissued or treasury shares of capital stock of any Hertz subsidiary are subject to any existing option, warrant, call or commitment of any character, except as set forth in said Schedule B.

(d) Hertz has delivered to RCA copies of the following financial statements:

(i) consolidated balance sheets of Hertz and its subsidiaries as at December 31, 1962, 1963, 1964 and 1965, together with consolidated statements of income and retained earnings for each of the four fiscal years then ended, together with integral explanatory footnotes, certified by Arthur Andersen & Co.; and

(ii) unaudited consolidated balance sheet of Hertz and its subsidiaries as at September 30, 1966, together with consolidated statements of income and retained earnings for the nine-month period then ended, accompanied by a letter of representation to RCA from Hertz in form and substance satisfactory to RCA. (For purposes of this Agreement, the consolidated balance sheet as at September 30, 1966 is referred to as the "Hertz Balance Sheet" and the date thereof is referred to as the "Balance Sheet Date.")

Such financial statements present fairly the consolidated financial position of Hertz and all its subsidiaries at the dates shown and the consolidated results of operations for the periods covered, and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis, subject, however, in the case of the financial statements referred to in Subparagraph (d) (ii) above, to year-end audit adjustments.

The receivables shown on the Hertz Balance Sheet have been collected or are collectible at the full recorded amounts less applicable reserves. The inventories shown on the Hertz Balance Sheet were based on quantities determined from physical inventories taken within the preceding twelve months and valued at the lower of cost, determined on a first-in first-out basis, or market value and on a basis consistent with that at December 31, 1965. In the aggregate there was no material difference as of the Balance Sheet Date between the book value of the revenue earning equipment shown on the Hertz Balance Sheet and the market value thereof; and there has been no material change in that relationship to the date hereof. Neither Hertz nor any Hertz subsidiary, as of the Balance Sheet Date, had any material liability, whether accrued, absolute, contingent or otherwise and whether due or to become due, except to the extent provided for in the Hertz Balance Sheet or set forth in explanatory notes thereto or in the letter referred to in Subparagraph (d)(ii) above.

(e) Hertz and each Hertz subsidiary have good and marketable title to all their properties and assets, real and personal (including those reflected on the Hertz Balance Sheet, except as since sold or otherwise disposed of in the ordinary course of business), free and clear of all liens, charges and encumbrances, except agreements covering assets rented or leased to others in the ordinary course of business, and such imperfections of title, liens, charges and encumbrances as in the aggregate are not material to the business or financial condition of Hertz and its subsidiaries taken as a whole.

(f) Neither Hertz nor any Hertz subsidiary, nor, to the knowledge of Hertz, any other party thereto, has breached any material provision of, or is in default in any material respect under the terms of, any contract, agreement, plan, lease or license, a breach of which, or a default under which, would have a material adverse effect upon the business or financial condition of Hertz and its subsidiaries taken as a whole.

(g) Neither Hertz nor any Hertz subsidiary owns or is licensed under any United States or foreign patent or patent application. Hertz and each Hertz subsidiary own or are licensed under such trademarks and trade names as are used in the conduct of the business as now operated by each of them, all of which are in good standing and uncontested.

(h) Hertz and each Hertz subsidiary have filed all such Federal and state tax returns and reports as, in the opinion of Hertz, are required to be filed. Adequate provision has been made, in the opinion of Hertz, in the Hertz Balance Sheet as of the date thereof for the payment of all then accrued and unpaid Federal, state, county, local and foreign taxes, whether or not yet due and payable and whether or not disputed, except as may be set forth in explanatory notes thereto or in the letter referred to in Subparagraph (d)(ii) above. Hertz has delivered to RCA a list (Schedule C), complete and correct as of the date hereof, which sets forth the last year as of which Federal income tax returns of Hertz and the subsidiaries set forth therein were examined by the Internal Revenue Service and, except as set forth therein, all deficiencies proposed or indicated as a result of the examination of such tax returns have been paid and settled.

(i) Since the Balance Sheet Date there has not been any materially adverse change in the business or financial condition of Hertz and its subsidiaries taken as a whole.

(j) Except for transactions or events which do not materially affect the business or financial condition of Hertz and its subsidiaries taken as a whole, since the Balance Sheet Date neither Hertz nor any Hertz subsidiary has:

(i) incurred any liability or obligation, under agreements or otherwise, except in the ordinary course of business or in connection with the execution and performance of this Agreement or transactions contemplated by this Agreement; or issued or agreed to issue any notes or other corporate debt securities except under loan agreements of August 1, 1966 with Metropolitan Life Insurance Company and The Equitable Life Assurance Society of the United States or under a loan agreement of August 1, 1966 with The First National Bank of Chicago and ten other banks, or such as are payable on demand or mature one year or less after the date of issue (and are not renewable at the option of the borrower to a date more than one year after the date of issue);

(ii) sold or transferred any tangible or intangible asset; mortgaged, pledged or subjected to any lien, charge or other encumbrance any such asset; entered into any lease of real property, machinery, equipment or buildings; or cancelled any debt or claim; all except in the ordinary course of business, or in connection with the execution and performance of this Agreement or transactions contemplated by this Agreement;

(iii) suffered any extraordinary loss (whether or not covered by insurance) or waived any right of substantial value; or

(iv) entered into any material transaction, except in the ordinary course of business or in connection with the execution and performance of this Agreement or transactions contemplated by this Agreement.

(k) Hertz has delivered or will deliver to RCA such lists, summaries or instruments, complete and correct as of the dates thereof, as RCA from time to time may request as to the following:

(i) real property owned by Hertz or any Hertz subsidiary, and the principal buildings and structures located thereon; and leases of real property to which Hertz or any Hertz subsidiary is a party and which are of material importance to the business or financial condition of Hertz and its subsidiaries taken as a whole;

(ii) policies of insurance in force with respect to Hertz or any Hertz subsidiary or their assets and properties which are of material importance to the business or financial condition of Hertz and its subsidiaries taken as a whole;

(iii) loan and credit agreements; and other agreements and commitments involving payment by or to Hertz or any Hertz subsidiary of more than $100,000, or extending beyond September 30, 1967, or materially affecting the business or financial condition of Hertz and its subsidiaries taken as a whole, or involving payments based on the profits of Hertz or any Hertz subsidiary;

(iv) employee profit sharing, stock option, pension, retirement, bonus and other welfare or benefit plans, arrangements and practices of Hertz and each Hertz subsidiary, including each trust or other agreement with any custodian or any trustee of funds held under any such agreement, plan or arrangement, and, in respect of any of them, reports filed with the Department of Labor under the Federal Welfare and Pension Plans Disclosure Act, current financial or actuarial reports, and currently effective United States Internal Revenue Service rulings or determination letters;

(v) name and current annual salary of each officer and employee of Hertz and each Hertz subsidiary whose current annual salary is in excess of $20,000, and the profit sharing, bonus or other form of compensation (other than salary) paid or payable by Hertz or any Hertz subsidiary to or for the benefit of each such person for the immediately preceding fiscal year, and any employment agreement with respect to each such person;

(vi) a copy of each Hertz stock option, the number of shares currently subject thereto, and the number of shares currently purchasable thereunder; and

(vii) collective bargaining agreements of Hertz and its subsidiaries.

(l) Except as set forth in Schedule D delivered by Hertz to RCA, which is complete and correct as of the date hereof, there is no investigation by any governmental agency, or action, suit, proceeding or claim, pending against or, to the knowledge of Hertz, threatened against or adversely affecting Hertz or any Hertz subsidiary, or the assets, business or good will of Hertz or any Hertz subsidiary, which might have a material adverse effect on the business or financial condition of Hertz and its subsidiaries taken as a whole, or which involves more than $100,000 not adequately covered by insurance; and Hertz knows of no basis or grounds for any such investigation, action, suit, proceeding or claim. There is no outstanding order, writ, injunction or decree of any court, government or governmental agency against or affecting Hertz or any Hertz subsidiary, or the assets, business or good will of Hertz or of any Hertz subsidiary, which might have a material adverse effect on the business or financial condition of Hertz and its subsidiaries taken as a whole, except as set forth in Schedule D.

(m) The Board of Directors of Hertz has duly approved this Agreement and the transactions contemplated in this Agreement, subject to the requisite approval by the holders of Hertz capital stock, and has authorized the execution and delivery by Hertz of this Agreement.

SECTION 2. *Representations and Warranties of RCA.* RCA represents and warrants as follows:

(a) RCA is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; has full power and authority to carry on its business as it is now being conducted and to own or hold under lease or similar agreement the properties and assets it now owns or holds under lease or such agreement; and, subject to the requisite approval by holders of its capital stock, has full corporate power and authority to enter into this Agreement and to carry

out the transactions contemplated hereby. The execution and delivery of this Agreement do not and, subject to the approval of the holders of the capital stock of RCA and any approvals required under agreements pursuant to which RCA has borrowed money or obtained credit or extensions thereof, the consummation of the transactions contemplated hereby will not, violate any provision of RCA's Certificate of Incorporation or By-laws, or any provision of, or result in the acceleration of any obligation under, any mortgage, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which RCA or any of its subsidiaries is a party or by which it or any of them is bound and will not violate any other restriction of any kind or character to which it or any of them is subject, excluding, in all cases referred to in this sentence, any violation or acceleration which would not have a material adverse effect upon the financial condition or business of RCA and its subsidiaries taken as a whole.

The copy of RCA's Certificate of Incorporation which has been delivered to Hertz is complete and correct.

(b) The authorized capital stock of RCA consists of:

(i) 920,300 shares, without par value, of $3.50 Cumulative Convertible First Preferred Stock of which, as of the close of business on November 1, 1966, 184,139 shares were validly issued and outstanding, fully paid and nonassessable;

(ii) 16,193 shares, without par value, of "B" Preferred Stock of which no shares are outstanding; and

(iii) 80,000,000 shares, without par value, of Common Stock of which, as of the close of business on November 1, 1966, 59,425,989 shares were validly issued, fully paid and nonassessable, consisting of 59,234,286 shares outstanding and 191,703 shares held in the treasury of RCA and its subsidiaries. On the same date 689,212 shares of Common Stock were reserved for issuance upon exercise of employee stock options.

There is no existing option, warrant, call or commitment of any character for the issuance or sale by RCA of its authorized and unissued capital stock or treasury stock, other than as referred to above or as to treasury stock deliverable under the RCA Incentive Plan.

(c) RCA has delivered to Hertz copies of the following financial statements:

(i) balance sheets as at December 31, 1962, 1963, 1964 and 1965, of RCA and its consolidated subsidiaries, together with related statements of income and reinvested earnings for each of the four fiscal years then ended, together with integral explanatory footnotes, certified by Arthur Young & Company; and

(ii) unaudited balance sheet as at September 30, 1966, of RCA and its consolidated subsidiaries, together with related statement of income and reinvested earnings for the nine-month period then ended, accompanied by a letter of representation to Hertz from RCA in form and substance satisfactory to Hertz.

Such financial statements present fairly the financial position of RCA and its consolidated subsidiaries at the dates shown and the results of operations for the periods covered, and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis, subject, however, in the case of the financial statements referred to in Subparagraph (c)(ii) above, to year-end audit adjustments.

(d) Neither RCA nor any RCA subsidiary, nor to the knowledge of RCA, any other party thereto, has breached any material provision of, or is in default in any material respect under

the terms of, any contract, agreement, plan, lease or license, a breach of which, or a default under which, would have a material adverse effect upon the business or financial condition of RCA and its subsidiaries taken as a whole.

(e) Since September 30, 1966 there has not been any materially adverse change in the business or financial condition of RCA and its subsidiaries taken as a whole.

(f) There is no investigation by any governmental agency, or action, suit, proceeding or claim, pending against or, to the knowledge of RCA, threatened against or adversely affecting RCA or any RCA subsidiary, or the assets, business or goodwill of RCA or any RCA subsidiary, which might have a material adverse effect on the business or financial condition of RCA and its subsidiaries taken as a whole; and RCA knows of no basis or grounds for any such investigation, action, suit, proceeding or claim.

(g) The shares of RCA Common Stock and RCA $4 Convertible Preferred Stock when issued as provided in this Agreement (including shares of such stock issued upon exercise of an Assumed Option), and the shares of RCA Common Stock when issued upon conversion of RCA $4 Convertible Preferred Stock, will be validly issued and outstanding, fully paid and nonassessable.

(h) The Board of Directors of RCA has duly approved this Agreement and the transactions contemplated in this Agreement, subject to the requisite approval by the holders of RCA capital stock, and has authorized the execution and delivery by RCA of this Agreement.

SECTION 3. *Covenants of Hertz Pending Merger.*

(a) Hertz will call a meeting of the holders of its capital stock, to be held on May 8, 1967, or such other date as may be mutually agreed upon by RCA and Hertz, for the purpose of voting upon and approving this Agreement.

(b) From and after the date of this Agreement and until the merger becomes effective, except with the prior written approval of RCA, neither Hertz nor any Hertz subsidiary will:

(i) issue, sell, purchase or redeem any Hertz Common Stock or the shares of any Hertz subsidiary, except Hertz Common Stock sold upon the exercise of Hertz stock options or issued upon conversion of Hertz Series A Preferred Stock or Hertz Series B Preferred Stock and stock of New Hertz issued to Hertz; subdivide or in any way reclassify any of its capital stock; declare or make any payment or distribution to its shareholders except intercompany dividends, regular quarterly dividends of $.30 per share on the outstanding Hertz Common Stock and of $.50 per share on the outstanding Series A Preferred Stock and Series B Preferred Stock; or grant any option or make any commitment relating to its authorized or issued capital stock; or

(ii) effect any general salary or wage increase except in line with past practices of Hertz, enter into any employment agreement, materially increase the base compensation or other benefits of any employee whose base compensation is in excess of $20,000 a year, or make any contribution to any trust or plan for the benefit of employees not required by the terms thereof.

Except as set forth in a list (Schedule E) delivered by Hertz to RCA, no action specified in this Section 3(b) has been taken from the Balance Sheet Date to the date hereof.

(c) From and after the execution and delivery of this Agreement and until the merger becomes effective, Hertz and each Hertz subsidiary will:

(i) continue to conduct its business in its usual manner;

(ii) use its best efforts to preserve its business organization intact and retain the services of its officers and key employees;

(iii) give RCA's representatives full access, during normal business hours and upon reasonable notice, to all of Hertz' and each of Hertz' subsidiary's assets, properties, books, records, agreements and commitments, and furnish RCA's representatives during such period with all such information concerning Hertz' and each of Hertz' subsidiary's affairs as RCA may reasonably request; provided, however, that any furnishing of such information to RCA or any investigation by RCA shall not affect RCA's right to rely on the representations and warranties made by Hertz in this Agreement, and provided further, that RCA will hold in strict confidence all documents and information concerning Hertz and each Hertz subsidiary so furnished and, if the transactions contemplated in this Agreement shall not be consummated, such confidence shall be maintained and all such documents shall immediately thereafter be returned to Hertz; and

(iv) maintain in full force and effect insurance policies providing coverage and amounts of coverage comparable to the coverage and amounts of coverage provided under its policies of insurance now in effect.

(d) Hertz will furnish RCA all the information concerning Hertz required for inclusion in an RCA proxy statement pursuant to Regulation 14 under the Securities Exchange Act of 1934 and in a listing application to be filed with the New York Stock Exchange respecting the shares of RCA Common Stock and RCA $4 Convertible Preferred Stock to be delivered pursuant to this Agreement, or any application or statement made by RCA to any governmental body in connection with the transactions contemplated in this Agreement, and Hertz represents and warrants that all information furnished to RCA for each such application or statement shall be true and correct in all material respects without omission of any material fact required to be stated to make the information not misleading.

(e) Hertz will take all necessary corporate and other action and use its best efforts to obtain all consents, approvals and amendments of agreements required of it to carry out the transactions contemplated in this Agreement and to satisfy the conditions specified in Sections 5 and 6 of this Article VIII.

SECTION 4. *Covenants of RCA Pending Merger.*

(a) RCA will call a meeting of the holders of its capital stock, to be held on May 2, 1967, or such other date as may be mutually agreed upon by RCA and Hertz, for the purpose of voting upon and approving this Agreement.

(b) From and after the date of this Agreement and until the effective date of the merger, RCA will not:

(i) change its capital stock by reclassification, subdivision, reorganization or otherwise;

(ii) issue or sell any additional capital stock except a 2% stock dividend on its Common Stock and as may be required upon exercise of employee stock options, any securities convertible into its Common Stock, or any options (other than qualified stock options), warrants or rights to purchase, subscribe for or otherwise acquire from RCA shares of its Common Stock or securities convertible into its Common Stock; or

(iii) declare any dividend or distribution on its Common Stock payable in property other than said 2% stock dividend.

Nothing herein shall prevent RCA from making purchases of its stock, of any class, from time to time or from making delivery of treasury stock under the RCA Incentive Plan.

No action precluded by Subparagraphs (i), (ii) or (iii) above has been taken from September 30, 1966 to the date hereof.

(c) RCA will file an application for the listing on the New York Stock Exchange of the RCA Common Stock and the RCA $4 Convertible Preferred Stock to be issued and delivered pursuant to this Agreement (including shares of such stock to be issued upon exercise of an Assumed Option) and for the listing, subject to official notice of issuance, of the RCA Common Stock issuable upon conversion of shares of the RCA $4 Convertible Preferred Stock.

(d) RCA will furnish Hertz all the information concerning RCA required for inclusion in a Hertz proxy statement pursuant to Regulation 14 under the Securities Exchange Act of 1934, and in any other statement or application made by Hertz to any governmental body in connection with the transactions contemplated in this Agreement, and RCA represents and warrants that all information furnished to Hertz for each such statement or application shall be true and correct in all material respects without omission of any material fact required to be stated to make the information not misleading.

(e) Subject to the conditions specified below, RCA will file with the SEC a registration statement under the Securities Act of 1933 ("Securities Act") on Form S-14 ("S-14 Registration Statement") covering such of the shares of RCA Common Stock and RCA $4 Convertible Preferred Stock (and the Common Stock issuable upon conversion thereof) to be issued in exchange for the Common Stock and Preferred Stock of Hertz pursuant to the merger as RCA may determine and will in any event include all shares issued to such of those shareholders of Hertz listed in a letter heretofore delivered by Hertz to RCA as Hertz may designate for inclusion in such Statement. RCA will use its best efforts to have such S-14 Registration Statement made effective as promptly as practicable after the effective date of the merger.

RCA will file a post-effective amendment or amendments to the S-14 Registration Statement so that there will continuously be available a prospectus meeting the requirements of Section 10(a)(3) of the Securities Act for a period of 24 months after the effective date of the S-14 Registration Statement. After such 24-month period RCA may withdraw such S-14 Registration Statement. If, within such 24-month period, any security holder proposes to make a public offering of stock covered by such S-14 Registration Statement (other than in transactions on a national securities exchange or in transactions within the scope of paragraphs (d) and (e) of Rule 133 under the Securities Act) RCA will upon the written request of such security holder file with the SEC an appropriate post-effective amendment or amendments to the S-14 Registration Statement to set forth the information furnished in writing to RCA by such security holder called for by Instruction 1(c) of Form S-14 with respect to such security holder and the proposed public offering.

RCA's obligations set forth in this Section 4(e) shall be contingent upon the receipt by RCA, prior to the date the S-14 Registration Statement is filed with the SEC, of agreements from each Hertz shareholder whose shares are to be included in the S-14 Registration Statement that such shareholder will not make any request of RCA to file a post-effective amendment pursuant to the preceding paragraph if such post-effective amendment would require the inclusion in such Registration Statement of financial statements other than RCA's regular year-end audited financial statements, that such shareholder will make no public offering of shares covered by the S-14 Registration Statement during the period in which it is in effect except in accordance with and

pursuant to such Registration Statement, and that such shareholder will indemnify RCA and its officers and directors as provided in Schedule F delivered by RCA to Hertz.

The expense of filing the S-14 Registration Statement and of any post-effective amendments thereto will be paid by RCA and RCA will furnish at its expense such number of copies of any prospectus as may be reasonably requested in order to facilitate the offering of RCA stock covered by such S-14 Registration Statement. RCA will indemnify each Hertz shareholder whose shares are included in the S-14 Registration Statement, and certain other persons, as provided in Schedule F.

The obligations set forth in this Section 4(e) shall survive the merger, and shall be binding upon and inure to the benefit of RCA and its successors and assigns and the shareholders designated by Hertz pursuant to this Section 4(e) and the respective heirs, personal representatives, successors and assigns of such shareholders.

(f) RCA will take all necessary corporate and other action and use its best efforts to obtain all consents, approvals and amendments of agreements, required of it to carry out the transactions contemplated in this Agreement and to satisfy the conditions specified in Sections 5 and 6 of this Article VIII.

SECTION 5. *Conditions Precedent to Hertz' Obligations.* The obligations of Hertz under this Agreement are, at the option of Hertz, subject to satisfaction of the following conditions at or before the effective date of the merger:

(a) The merger shall have obtained the requisite approval of holders of capital stock of Hertz and RCA.

(b) No action or proceeding shall have been instituted or threatened against RCA or any RCA subsidiary which materially affects the business or financial condition of RCA and its subsidiaries taken as a whole, and no action or proceeding shall have been instituted or threatened before any court or governmental agency to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the consummation of the transactions contemplated herein, which in the opinion of Hertz makes it inadvisable to consummate such transactions.

(c) Hertz shall have received an opinion of Robert L. Werner, Esq., Executive Vice President and General Counsel of RCA, and of Cahill, Gordon, Reindel & Ohl, dated the Closing Date, to the effect that:

(i) the corporate existence, good standing and the corporate power and authority of RCA are as represented and warranted in Article VIII, Section 2(a) of this Agreement;

(ii) the consummation of the transactions contemplated in this Agreement will not violate any provision of RCA's Certificate of Incorporation or By-laws, or, to the knowledge of counsel, any provision of, or result in the acceleration of any obligation under, any mortgage, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which RCA or any of its subsidiaries is a party or by which it or any of them is bound and will not violate any other restriction of any kind or character to which it or any of them is subject, which, if violated or accelerated, would materially adversely affect the financial condition or business of RCA and its subsidiaries taken as a whole;

(iii) all corporate and other action required to be taken by and on the part of RCA to authorize RCA to carry out this Agreement has been duly and properly taken and it constitutes a valid and binding agreement enforceable in accordance with its terms;

(iv) the shares of RCA Common Stock and RCA $4 Convertible Preferred Stock required to be issued and delivered pursuant to this Agreement (including shares of such stock to be issued upon exercise of an Assumed Option), and the shares of RCA Common Stock to be issued and delivered upon conversion of the RCA $4 Convertible Preferred Stock will, when issued, be validly issued, fully paid and nonassessable; and

(v) except as may be specified in such opinion, such counsel does not know of any action, suit, proceeding, investigation or claim, pending or threatened, relating to the transactions contemplated in this Agreement or which is likely to have a material adverse effect on the properties or business of RCA and its subsidiaries taken as a whole.

(d) Hertz shall have received a ruling or rulings from the Internal Revenue Service, in form and content satisfactory to Hertz, to the effect that:

(i) the proposed merger of Hertz into RCA, if consummated in the manner set forth in the Agreement, including as a part thereof the prior transfer by Hertz of all of its assets and liabilities to New Hertz, will constitute a statutory merger and tax-free reorganization under Sections 368(a)(1)(A) and 368(a)(2)(C) of the Internal Revenue Code of 1954, as amended;

(ii) under Section 354(a)(1), no gain or loss will be recognized to any holder of Hertz Common Stock, Hertz Series A Preferred Stock or Hertz Series B Preferred Stock who exchanges such shares for stock of RCA in the merger. Gain or loss will be recognized under Subchapter P with respect to fractional interests sold through the Exchange Agent;

(iii) the basis to each shareholder of Hertz of the shares of stock of RCA received by such shareholder pursuant to the merger will be the same as the cost or other basis of such shareholder's stock of Hertz surrendered in exchange therefor, under Section 358(a)(1). Such basis will be allocated, if appropriate, between the shares of RCA Common Stock and the RCA $4 Convertible Preferred Stock in proportion to the respective fair market values of each class of RCA stock on the effective date of the merger, under Section 1.358-2(a)(2) of the Income Tax Regulations;

(iv) the holding period of RCA stock received by a holder of Hertz stock pursuant to the merger will include the period during which such holder held the shares of Hertz stock which are surrendered in exchange for such RCA stock, under Section 1223;

(v) gain or loss under Subchapter P will be recognized to those shareholders of Hertz who dissent from the merger and receive payment in cash for their shares held as capital assets;

(vi) as to any shares of RCA stock received by shareholders of Hertz in the merger which are "section 306 stock," as that term is defined in Section 306(c), Section 306(a) will not, under Section 306(b)(4), be applicable to any sale or other disposition thereof;

(vii) under the present provisions of the Internal Revenue Code, upon conversion of any share of RCA $4 Convertible Preferred Stock into shares of RCA Common Stock, no gain or loss will be recognized upon, and no taxable income or deduction will result from, any such conversion, except with respect to any cash payment in settlement of fractional shares;

(viii) Section 425(a) will be applicable to the assumption by RCA, pursuant to the Agreement, of the Existing Options, and such assumption will not constitute a "modification," within the meaning of Section 425(h); and

(ix) the Existing Options which are restricted stock options will, when assumed by RCA pursuant to the merger, continue to constitute restricted stock options, and the Existing Options which are qualified stock options will, when assumed by RCA pursuant to the merger, continue to constitute qualified stock options.

(e) All of the terms and conditions of this Agreement to be complied with and performed by RCA at or before the Closing Date shall have been complied with and performed in all material respects, and the representations and warranties made by RCA in this Agreement shall be correct in all material respects, at and as of the Closing Date, with the same force and effect as though such representations and warranties had been made at and as of the Closing Date. Any representation or warranty made as of a specific date or as of the date of this Agreement need only be correct in all material respects as of such date. RCA shall have delivered to Hertz a certificate, dated the Closing Date, signed by the President or a Vice President of RCA certifying to the fulfillment of these conditions.

(f) The shares of RCA Common Stock and RCA $4 Convertible Preferred Stock to be issued and delivered pursuant to this Agreement (including shares of such stock to be issued upon exercise of an Assumed Option) and the shares of RCA Common Stock to be issued and delivered upon conversion of shares of RCA $4 Convertible Preferred Stock shall have been duly listed, subject to official notice of issuance, on the New York Stock Exchange, and the RCA $4 Convertible Preferred Stock shall have been duly admitted to trading thereon.

(g) RCA shall have delivered to Hertz a balance sheet as at December 31, 1966 of RCA and its consolidated subsidiaries, together with related statements of income, reinvested earnings and capital surplus for the fiscal year then ended, accompanied by an opinion of Arthur Young & Company that such financial statements present fairly the financial position of RCA and its consolidated subsidiaries at December 31, 1966 and the results of operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

(h) Hertz shall have received a letter of review, dated as of the Closing Date, from Arthur Young & Company in form and substance satisfactory to Hertz respecting unaudited consolidated financial statements of RCA and its subsidiaries at March 31, 1967 and for the three months then ended, and the absence of any event after December 31, 1966 having a material adverse effect on the consolidated financial position of RCA and its subsidiaries and of any material contingent liabilities or obligations not reflected on the December 31, 1966 consolidated balance sheet of RCA and its subsidiaries.

SECTION 6. *Conditions Precedent to RCA's Obligations.* The obligations of RCA under this Agreement are, at the option of RCA, subject to satisfaction of the following conditions at or before the effective date of the merger:

(a) The merger shall have obtained the requisite approval of holders of capital stock of RCA and Hertz.

(b) No action or proceeding shall have been instituted or threatened against Hertz or any Hertz subsidiary which materially affects the business or financial condition of Hertz and its subsidiaries taken as a whole, and no action or proceeding shall have been instituted or threatened before any court or governmental agency to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the consummation of the transactions contemplated herein, which in the opinion of RCA makes it inadvisable to consummate such transaction.

(c) Each instrument under which Hertz has incurred or may incur long term debt shall have been amended prior to merger without the assumption by Hertz of any additional obligation or cost and in a manner satisfactory in form and substance to RCA so as to provide that RCA shall not become liable, contingently or otherwise, by reason of the merger for such long term debt.

The promissory notes issued pursuant to loan agreements between RCA and Metropolitan Life Insurance Company and the New York Life Insurance Company shall have been amended prior to merger without the assumption by RCA of any additional obligation or cost and in a manner satisfactory in form and substance to RCA so as to subject New Hertz and its subsidiaries after merger only to those restrictions in such notes as apply to a "foreign subsidiary" of RCA, as that term is defined in such notes.

(d) Hertz shall be under no obligation, contingent or otherwise, which will survive the merger by reason of any agreement with any of its shareholders to register any shares of its capital stock under the Securities Act of 1933, as amended.

(e) RCA shall have received an opinion of Sol M. Edidin, Esq., Vice President and Corporation Counsel, of Hertz, and D'Ancona, Pflaum, Wyatt & Riskind, dated the Closing Date, to the effect that:

(i) the corporate existence, good standing, corporate power and authority and foreign qualifications of Hertz and its subsidiaries are as represented and warranted in Sections 1(a) and 1(c) of Article VIII of this Agreement (except that, with respect to such matters relating to any subsidiary of Hertz organized under the laws of a jurisdiction other than a state of the United States or the District of Columbia, D'Ancona, Pflaum, Wyatt & Riskind may rely on the opinion of Sol M. Edidin, Esq.);

(ii) the consummation of the transactions contemplated in this Agreement will not violate any provision of Hertz's Certificate of Incorporation or By-laws, or, to the knowledge of counsel, any provision of, or result in the acceleration of any obligation under, any mortgage, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which Hertz or any of its subsidiaries is a party or by which it or any of them is bound and will not violate any other restriction of any kind or character to which it or any of them is subject, which, if violated or accelerated, would materially adversely affect the financial condition or business of Hertz and its subsidiaries taken as a whole (except that with respect to the materiality of any such possible violation or acceleration, D'Ancona, Pflaum, Wyatt & Riskind may rely on the opinion of Sol M. Edidin, Esq.);

(iii) all corporate and other action required to be taken by and on the part of Hertz to authorize Hertz to carry out this Agreement has been duly and properly taken and it constitutes a valid and binding agreement enforceable in accordance with its terms;

(iv) upon merger RCA will not be liable, contingently or otherwise, for any long-term debt of Hertz or New Hertz;

(v) upon merger RCA will be under no obligation, contingent or otherwise, by reason of any agreement of Hertz with any of its shareholders to register any shares of the capital stock of RCA under the Securities Act of 1933, as amended, except as set forth in Article VIII, Section 4(e) hereof;

(vi) except as may be specified in their opinion, such counsel do not know of any action, suit, proceeding, investigation or claim, pending or threatened, relating to the trans-

actions contemplated in this Agreement or which is likely to have a material adverse effect on the properties or business of Hertz and its subsidiaries taken as a whole; and

(vii) the transfer by Hertz of all its assets to New Hertz and the assumption by New Hertz of all of Hertz' liabilities pursuant to Article III of this Agreement have been duly consummated.

(f) All of the terms and conditions of this Agreement to be complied with and performed by Hertz at or before the Closing Date shall have been complied with and performed in all material respects, and the representations and warranties made by Hertz in this Agreement shall be correct in all material respects, at and as of the Closing Date, with the same force and effect as though such representations and warranties had been made at and as of the Closing Date. Any representation or warranty made as of a specific date or as of the date of this Agreement need only be correct in all material respects as of such date. Hertz shall have delivered to RCA a certificate, dated the Closing Date, signed by the President or a Vice President of Hertz certifying to the fulfillment of these conditions.

(g) RCA shall have received a ruling or rulings from the Internal Revenue Service, in form and content satisfactory to RCA, to the effect that:

(i) the proposed merger of Hertz into RCA, if consummated in the manner set forth in the Agreement, including as a part thereof the prior transfer by Hertz of all of its assets and liabilities to New Hertz, will constitute a tax-free reorganization under Sections 368(a)(1)(A) and 368(a)(2)(C) of the Internal Revenue Code of 1954, as amended;

(ii) no gain or loss will be recognized to Hertz, New Hertz or RCA as a result of the exchanges made pursuant to the Agreement;

(iii) the basis to New Hertz of the assets of Hertz acquired from Hertz in such transfer will be the same as the cost or other basis of such assets in the hands of Hertz immediately prior to the transfer thereof to New Hertz;

(iv) the basis to RCA of its stock in New Hertz will be an amount equivalent to New Hertz' basis of the assets acquired from Hertz, reduced by the liabilities of Hertz assumed by New Hertz;

(v) New Hertz, upon its receipt of all of the assets and liabilities of Hertz as part of the reorganization, will be an acquiring corporation within the meaning of Section 381(a)(2); and

(vi) no gain or loss will be recognized to shareholders of RCA as a result of the merger, except that gain or loss will be recognized under Subchapter P to those shareholders of RCA who dissent from the merger and receive payment in cash for their shares held as capital assets.

(h) RCA shall have received an opinion from Cahill, Gordon, Reindel & Ohl and from D'Ancona, Pflaum, Wyatt & Riskind that issuance and delivery of the RCA Common Stock and RCA $4 Convertible Preferred Stock in exchange for the Common Stock and Preferred Stock of Hertz pursuant to the merger will not require registration under the Securities Act of 1933, except the registration under that Act pursuant to Article VIII, Section 4(e) hereof.

(i) Hertz shall have delivered to RCA a consolidated balance sheet of Hertz and its subsidiaries as at December 31, 1966 together with consolidated statements of income, retained earnings and capital surplus for the fiscal year then ended, accompanied by an opinion of Arthur

Andersen & Co. that such financial statements present fairly the financial position of Hertz and its consolidated subsidiaries at December 31, 1966 and the consolidated results of operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year. Such financial statements shall show consolidated net income for 1966 of at least $12,000,000 and consolidated retained earnings at December 31, 1966 of at least $37,000,000. RCA also shall have received a letter of review from Arthur Young & Company in form and substance satisfactory to RCA respecting such consolidated statements of Hertz.

(j) RCA shall have received a letter of review, dated as of the Closing Date, from Arthur Young & Company in form and substance satisfactory to RCA respecting unaudited consolidated financial statements of Hertz and its subsidiaries at March 31, 1967 and for the three months then ended, and the absence of any event after December 31, 1966 having a material adverse effect on the consolidated financial position of Hertz and its subsidiaries and of any material contingent liabilities or obligations not reflected on or disclosed in the December 31, 1966 consolidated balance sheet of Hertz and its subsidiaries.

(k) RCA shall have received from Arthur Young & Company an opinion that under generally accepted accounting principles the merger should be treated as a "pooling of interests" for accounting purposes.

(l) All Blue Sky filings and permits required to carry out the transactions contemplated in this Agreement shall have been made or received.

SECTION 7. *Closing.* The closing under this Agreement shall take place on May 11, 1967, or such other date as may be mutually agreed upon by RCA and Hertz (the "Closing Date"), and shall be held at the office of RCA, 30 Rockefeller Plaza, New York, New York, or such other place as may be mutually agreed upon by RCA and Hertz. This Agreement shall be filed and recorded in accordance with the laws of the State of Delaware on the Closing Date or as soon thereafter as practical.

SECTION 8. *Termination.* This Agreement may be terminated and the merger abandoned at any time before or after approval thereof by the shareholders of Hertz or RCA notwithstanding favorable action on the merger by the shareholders of either or both Constituent Corporations, but not later than the effective date of the merger by:

(a) The mutual consent of the Boards of Directors of Hertz and RCA.

(b) The Board of Directors of either Hertz or RCA after July 14, 1967, or such other date as may be mutually agreed upon by the Boards of Directors of Hertz and RCA, if the merger has not become effective by that date.

(c) The Board of Directors of Hertz if any of the conditions provided in Article VIII, Section 5 of this Agreement have not been met and have not been waived.

(d) The Board of Directors of RCA if any of the conditions provided in Article VIII, Section 6 of this Agreement have not been met and have not been waived or if in the judgment of the Board of Directors of RCA the merger would be inadvisable because of the number of shareholders of either Hertz or RCA who assert their rights to have their stock appraised and receive cash payment therefor, as provided in the General Corporation Law of the State of Delaware.

In the event of termination by the Board of Directors of either Hertz or RCA as provided above, written notice shall forthwith be given to the other party.

SECTION 9. *Liabilities.* In the event this Agreement is terminated as provided in Article VIII, Section 8, neither RCA nor Hertz shall have any liability to the other for costs, expenses, loss of anticipated profits or otherwise.

SECTION 10. *Termination of Representations and Warranties.* RCA and Hertz agree that the representations and warranties contained in this Agreement or in any instrument delivered hereunder shall expire with, and be terminated and extinguished by, the filing and recording of this Agreement in accordance with the laws of the State of Delaware.

SECTION 11. *Amendment.* Hertz and RCA, by consent of a majority of their respective Boards of Directors, may amend, modify or supplement this Agreement in such manner as may be agreed upon by them in writing at any time before or after approval thereof by the shareholders of Hertz or of RCA or both; provided, however, that no such amendment, modification or supplement after such approval by the shareholders of either of the Constituent Corporations shall affect the rights of such shareholders in a manner which is materially adverse to such shareholders in the judgment of the Board of Directors of such Constituent Corporation.

SECTION 12. *Brokers.* RCA and Hertz each represents and warrants that no broker or finder has acted for it in connection with this Agreement or the transactions contemplated in this Agreement and that no broker or finder is entitled to any brokerage or finder's fee or other commission based on agreements, arrangements, or understandings made by it. Nothing contained in this paragraph shall apply to any claim against RCA that Lazard Frères & Co. may have or any claim against Hertz that Lehman Brothers may have for their services in connection with the transactions contemplated in this Agreement. Lazard Frères & Co. acted as financial adviser to, and participated in negotiations for the merger on behalf of, RCA. Lehman Brothers acted as financial adviser to, and participated in negotiations for the merger on behalf of, Hertz.

SECTION 13. *Notices.* Any notice, request, instruction or other document to be given hereunder by any party hereto to another shall be in writing and delivered personally or sent by registered mail, postage prepaid:

(a) if to RCA, addressed to Robert L. Werner, Executive Vice President and General Counsel, Radio Corporation of America, 30 Rockefeller Plaza, New York, New York 10020; or

(b) if to Hertz, addressed to Leon C. Greenebaum, Chairman of the Board, The Hertz Corporation, 660 Madison Avenue, New York, New York 10021, with a copy thereof to Donald J. Yellon, Esq., D'Ancona, Pflaum, Wyatt & Riskind, 33 North La Salle Street, Chicago, Illinois 60602.

SECTION 14. *Entire Agreement.* This instrument contains the entire Agreement between the parties hereto with respect to the transactions contemplated in this Agreement.

SECTION 15. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument, but all of which together shall constitute but one instrument.

IN WITNESS WHEREOF, the parties hereto, pursuant to authority given by their respective Boards of Directors, have caused this Agreement of Merger to be entered into and signed by their respective Directors, or a majority of them, and their corporate seals to be hereunto affixed, and to be attested by their respective Secretaries or Assistant Secretaries, all as of the date and year first above written.

RADIO CORPORATION OF AMERICA

By JOSEPHINE YOUNG CASE

ELMER W. ENGSTROM

FRANK M. FOLSOM

HARRY C. HAGERTY

HARRY C. INGLES

ANDRE MEYER

D. L. MILLS

CARROLL V. NEWSOM

C. M. ODORIZZI

DAVID SARNOFF

ROBERT W. SARNOFF

WALTER D. SCOTT

W. W. WATTS

ROBERT L. WERNER

(Being a majority of the Board of Directors of Radio Corporation of America)

ATTEST:

JOHN Q. CANNON
Secretary

RADIO CORPORATION OF AMERICA

DELAWARE

1919

THE HERTZ CORPORATION

By HOWARD L. CLARK

ANTHONY B. GRANDOFF, SR.

ARNOLD M. GRANT

LEON C. GREENEBAUM

WALTER L. JACOBS

SAMUEL KATZ

FRANK J. MANHEIM

LOUIS E. MEYERS

RODNEY A. PETERSEN

SAMUEL F. PRYOR

H. EARL SMALLEY

ROBERT A. SMALLEY

GILES A. WANAMAKER

HARRY N. WYATT

(Being a majority of the Board of Directors of The Hertz Corporation)

ATTEST:

RICHARD M. TICKTIN
Secretary

THE HERTZ CORPORATION

1923

CORPORATE

SEAL

DELAWARE

I, William P. Alexander, Assistant Secretary of Radio Corporation of America, a corporation organized and existing under the laws of the State of Delaware, hereby certify, as such Assistant Secretary and under the seal of the said Corporation, that the Agreement of Merger dated December 8, 1966 between Radio Corporation of America and The Hertz Corporation to which this certificate is attached, after having been first duly signed on behalf of Radio Corporation of America by a majority of the directors thereof and having been signed by a majority of the directors of The Hertz Corporation, a corporation of the State of Delaware, was duly submitted to the stockholders of Radio Corporation of America 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 251 of Title 8 of the Delaware Code of 1953 on the 2nd day of May, 1967, for the purpose, among other things, of considering and taking action upon the proposed Agreement of Merger; that 60,775,293 shares of stock of said Corporation were on said date issued and outstanding; that the proposed Agreement of Merger was approved by the stockholders by an affirmative vote representing at least two-thirds of the total number of shares of the outstanding capital stock of said Corporation, and that thereby the Agreement of Merger was at said meeting duly adopted as the act of the stockholders of Radio Corporation of America and the duly adopted Agreement of said Corporation.

WITNESS my hand and the seal of said Radio Corporation of America on this 9th day of May, 1967.

RADIO CORPORATION OF AMERICA

DELAWARE

1919

WILLIAM P. ALEXANDER

William P. Alexander, *Assistant Secretary*

I, Richard M. Ticktin, Secretary of The Hertz Corporation, 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 of Merger dated December 8, 1966 between Radio Corporation of America and The Hertz Corporation to which this certificate is attached, after having been first duly signed on behalf of The Hertz Corporation by a majority of the directors thereof and having been signed by a majority of the directors of Radio Corporation of America, a corporation of the State of Delaware, was duly submitted to the stockholders of The Hertz Corporation 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 251 of Title 8 of the Delaware Code of 1953 on the 2nd day of May, 1967, for the purpose, among other things, of considering and taking action upon the proposed Agreement of Merger; that 4,315,958 shares of stock of said Corporation were on said date issued and outstanding; that the proposed Agreement of Merger was approved by the stockholders by an affirmative vote representing at least two-thirds of the total number of shares of the outstanding capital stock of said Corporation, and that thereby the Agreement of Merger was at said meeting duly adopted as the act of the stockholders of The Hertz Corporation and the duly adopted Agreement of said Corporation.

WITNESS my hand and the seal of The Hertz Corporation on this 9th day of May, 1967.

THE HERTZ CORPORATION

1923

CORPORATE

SEAL

DELAWARE

RICHARD M. TICKTIN

Richard M. Ticktin, *Secretary*

THE ABOVE AGREEMENT OF MERGER, having been executed by a majority of the Board of Directors of each corporate party thereto, and having been adopted separately by the stockholders of each corporate party thereto, in accordance with the provisions of the General Corporation Law of the State of Delaware, and that fact having been certified on said Agreement of Merger by the Secretary or Assistant Secretary of each corporate party thereto, the President and Assistant Secretary of Radio Corporation of America and the President and Secretary of The Hertz Corporation do now hereby execute the said Agreement 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, on this 9th day of May, 1967.

RADIO CORPORATION OF AMERICA

By ROBERT W. SARNOFF
Robert W. Sarnoff, *President*

By WILLIAM P. ALEXANDER
William P. Alexander, *Assistant Secretary*

RADIO CORPORATION OF AMERICA
DELAWARE
1919

ATTEST:

WILLIAM P. ALEXANDER
William P. Alexander,
Assistant Secretary

THE HERTZ CORPORATION

By RODNEY A. PETERSEN
Rodney A. Petersen, *President*

By RICHARD M. TICKTIN
Richard M. Ticktin, *Secretary*

THE HERTZ CORPORATION
1923
CORPORATE
SEAL
DELAWARE

ATTEST:

RICHARD M. TICKTIN
Richard M. Ticktin,
Secretary

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS.:

BE IT REMEMBERED that on this 9th day of May, A. D. 1967, personally came before me, a Notary Public in and for the County and State aforesaid, Robert W. Sarnoff, President of Radio Corporation of America, a corporation of the State of Delaware and one of the corporations described in and which executed the foregoing Agreement of Merger, known to me personally to be such, and he the said Robert W. Sarnoff as such President duly executed said Agreement of Merger before me and acknowledged said Agreement of Merger to be the act, deed and agreement of said Radio Corporation of America, that the signatures of the said President and Assistant Secretary of said Corporation to said foregoing Agreement of Merger are in the handwriting of the said President and Assistant Secretary of Radio Corporation of America and that the seal affixed to said Agreement of Merger is the common corporate seal of said Corporation.

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

JOAN D. THORNER
Notary Public

JOAN D. THORNER
STATE OF NEW YORK
NOTARY
PUBLIC

JOAN D. THORNER
Notary Public, State of New York
No. 31-3976575
Qualified in New York County
Commission Expires March 30, 1969

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS.:

BE IT REMEMBERED that on this 9th day of May, A. D. 1967, personally came before me, a Notary Public in and for the County and State aforesaid, Rodney A. Petersen, President of The Hertz Corporation, a corporation of the State of Delaware and one of the corporations described in and which executed the foregoing Agreement of Merger, known to me personally to be such, and he the said Rodney A. Petersen as such President duly executed said Agreement of Merger before me and acknowledged said Agreement of Merger to be the act, deed and agreement of The Hertz Corporation, that the signatures of the said President and the Secretary of said Corporation to said foregoing Agreement of Merger are in the handwriting of the said President and Secretary of The Hertz Corporation and that the seal affixed to said Agreement of Merger is the common corporate seal of said Corporation.

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

BARTON D. EATON
Notary Public

BARTON D. EATON
STATE OF NEW YORK
NOTARY
PUBLIC

BARTON D. EATON
Notary Public, State of New York
No. 31-1066025
Qualified in New York County
Certificate filed in New York County
Commission Expires March 30, 1969

APPENDIX A

CERTIFICATE OF INCORPORATION

OF

RADIO CORPORATION OF AMERICA

First. The name of the Corporation is RADIO CORPORATION OF AMERICA (hereinafter called the Corporation).

Second. Its principal office in the State of Delaware is located at No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name and address of its resident agent is The Corporation Trust Company, No. 100 West Tenth Street, Wilmington 99, Delaware.

Third. The nature of the business or objects or purposes proposed to be transacted, promoted or carried on are:

(a) To send and receive signals, messages and communications;

(b) To create, install and operate a system of communication which may be international;

(c) To improve and prosecute the art and business of electric communication;

(d) To radiate, receive and utilize electromagnetic waves;

(e) To create, manufacture, purchase or otherwise acquire; to hold, own, mortgage, pledge, sell or otherwise dispose of; to invest, trade and deal in goods and merchandise, interests, rights, patent rights, patents, copyrights and other real and personal property of every description in any of the states, districts, territories or colonies of the United States, and in any and all foreign countries, in accordance with the law thereof;

(f) To acquire the goodwill, franchises, rights, patents, patent rights, copyrights and property, and to take over all or any part of the assets and/or all liabilities of any person, firm, association or corporation, and to pay for the same in cash, property, shares or obligations of the Corporation;

(g) To borrow money by means of obligations issued or through commercial instruments and, in the manner permitted by law, and to secure the payment of any such obligations by mortgage or pledge or agreement as to all or any part of the property, real or personal, of the Corporation, and to provide that any such obligations shall be convertible into or exchangeable for stock of the Corporation upon such terms permitted by law as the Board of Directors shall determine;

(h) To subscribe to, acquire and to hold, own and dispose of securities and obligations of any other corporation, and to issue in exchange therefor the stock or obligations of the Corporation;

To guarantee the payment of dividends upon any shares of the capital stock of, or the performance of any contract by, any other corporation or association in which the Corporation shall have an interest, and to endorse or otherwise guarantee the payment of the principal or interest of any obligations of any such other corporation or association;

(i) To have one or more offices, and to carry on its operations and transact and conduct its business in the State of Delaware, other states, the District of Columbia, the territories and colonies

of the United States, and in foreign countries, and have one or more offices out of the State of Delaware; and, without restriction or limit as to amount, to purchase or otherwise acquire, hold, own, lease, mortgage, sell, convey, or otherwise dispose of, real and personal property of every class and description out of the State of Delaware and in any of the states (including the State of Delaware), districts, territories and colonies of the United States, and in any and all foreign countries, subject always to the laws of such state, district, territory, colony or foreign country;

(j) To make and carry out contracts of every kind for every lawful purpose without limit as to amount with any person, firm, association or corporation;

(k) To carry on all or any of its operations or business without restrictions or limit as to amount, but the powers herein stated shall not include power to construct, maintain or operate railroads, railways, telegraph or telephone lines except outside the State of Delaware.

Fourth. The total number of shares of capital stock that may be issued by the Corporation is 82,185,000, of which 185,000 shares, without par value, shall be $3.50 Cumulative First Preferred Stock (hereinafter in this Article FOURTH referred to as First Preferred Stock), 2,000,000 shares, without par value, shall be Cumulative Series First Preferred Stock (hereinafter in this Article FOURTH referred to as Series Preferred Stock), and 80,000,000 shares, without par value, shall be Common Stock.

Shares of the stock of any class of the Corporation may be issued by the Corporation from time to time for such consideration as may be fixed from time to time by the Board of Directors thereof, and any and all such shares so issued, the full consideration for which shall have been paid or delivered, shall be deemed fully paid and nonassessable stock and not liable to any further call or assessment thereon.

No holder of any stock of any class of the Corporation shall, as such holder, have any right to purchase or subscribe for any shares of the capital stock of any class of the Corporation which it may issue or sell, whether out of the number of shares authorized by the certificate of incorporation of the Corporation as originally filed or by any amendment thereof or out of shares of the capital stock of any class of the Corporation acquired by it after the issue thereof; nor shall any holder of any such stock of any class, as such holder, have any right to purchase or subscribe for any obligation which the Corporation may issue or sell that shall be convertible into, or exchangeable for, any shares of the capital stock of any class of the Corporation or to which shall be attached or appertain any warrant or warrants or any instrument or instruments that shall confer upon the owner of such obligation, warrant or instrument the right to subscribe for, or to purchase from, the Corporation, any shares of its capital stock of any class.

A description of the different classes of stock of the Corporation and a statement of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, in respect of each class of said stock are as follows:

PART I. *Provisions Applicable to $3.50 Cumulative First Preferred Stock*

(a) The holders of the First Preferred Stock shall be entitled to receive out of the net profits or net assets of the Corporation applicable to dividends, when and as declared by the Board of Directors, cash dividends at the rate of three dollars and fifty cents ($3.50) per share per annum, and no more, payable quarterly on the first days of January, April, July and October in each year, accruing from April 1, 1936, before any dividends shall be declared and paid upon or set apart for the Common Stock. Dividends upon the First Preferred Stock shall be cumulative, so that if dividends upon the outstanding First Preferred Stock at the rate of three dollars and fifty cents ($3.50) per share per annum from the date or dates on which such dividends commence to accrue

to the end of the then current quarterly dividend period for such stock shall not have been paid or declared and a sum sufficient for the payment thereof set apart, the amount of the deficiency shall be paid, but without interest, or dividends in such amount declared and set apart for payment before any dividends shall be declared or paid upon or set apart for, or any other distribution shall be ordered or made in respect of the Common Stock or any Common Stock shall be purchased by the Corporation. If dividends on the First Preferred Stock and on the Series Preferred Stock of any series are not paid in full or declared in full and sums set apart for the payment thereof, then no dividends shall be declared and paid on any such stock unless declared and paid ratably on all shares of the First Preferred Stock and of each series of the Series Preferred Stock then outstanding, including dividends accrued or in arrears, if any, in proportion to the respective amounts that would be payable per share if all such dividends were declared and paid in full. The term "dividends accrued or in arrears" whenever used herein with reference to the First Preferred Stock shall be deemed to mean an amount which shall be equal to dividends thereon at the rate of three dollars and fifty cents ($3.50) per share per annum from April 1, 1936, to the end of the then current quarterly dividend period for such stock (or, in case of redemption, to the date of redemption), less the amount of all dividends paid upon such stock.

(b) The First Preferred Stock shall be preferred over the Common Stock as to assets, and in the event of any liquidation or dissolution or winding up of the Corporation (whether voluntary or involuntary) the holders of the First Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, an amount equal to one hundred dollars ($100) per share, with all dividends accrued or in arrears, for every share of their holdings of First Preferred Stock before any distribution of the assets shall be made to the holders of the Common Stock, and shall be entitled to no other or further distribution. If upon any such liquidation, dissolution or winding up of the Corporation the assets distributable among the holders of the First Preferred Stock and of the Series Preferred Stock shall be insufficient to permit the payment in full to the holders of the First Preferred Stock and of the Series Preferred Stock of all preferential amounts payable to all such holders, then the entire assets of the Corporation thus distributable shall be distributed ratably among the holders of the First Preferred Stock and of the Series Preferred Stock in proportion to the respective amounts that would be payable per share if such assets were sufficient to permit payment in full.

(c) The First Preferred Stock at any time outstanding may be redeemed by the Corporation, in whole or in part, at its election, expressed by resolution of the Board of Directors, at any time or times upon not less than sixty (60) days' previous notice to the holders of record of the First Preferred Stock to be redeemed, given as hereinafter provided, at the price of one hundred dollars ($100) per share and all dividends accrued or in arrears (hereinafter in this paragraph called "the redemption price"). If less than all of the outstanding First Preferred Stock is to be redeemed, the redemption may be made either by lot or pro rata, in such manner as may be prescribed by resolution of the Board of Directors. Notice of such election of the Corporation shall be given by publication in a newspaper of general circulation in the Borough of Manhattan, The City of New York, such publication to be made not less than sixty (60) nor more than ninety (90) days prior to such redemption date. A similar notice shall be mailed by the Corporation, postage prepaid, not less than sixty (60) nor more than ninety (90) days prior to such redemption date, addressed to the respective holders of record of the First Preferred Stock to be redeemed at their respective addresses as the same shall appear on the stock transfer records of the Corporation, but the mailing of such notice shall not be a condition of such redemption. Notice having been so given by publication, from and after the date fixed therein as the date of redemption, unless default shall be made by the Corporation in providing moneys for the payment of the redemption price pursuant to such notice, all dividends on the First Preferred Stock thereby called for redemption shall cease to accrue, and from and after the date of redemption so specified, unless default shall be made by the Corporation as aforesaid, or from and after the date (prior to the date of redemption so specified) on which the Corporation shall

provide the moneys for the payment of the redemption price by depositing the amount thereof with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least ten million dollars ($10,000,000), provided that the notice of redemption shall state the intention of the Corporation to deposit such amount on a date in such notice specified, all rights of the holders thereof as stockholders of the Corporation, except the right to receive the redemption price (but without interest), shall cease and determine. Any interest allowed on moneys so deposited shall be paid to the Corporation. Any moneys so deposited which shall remain unclaimed by the holders of such First Preferred Stock at the end of six years after the redemption date, shall be paid by such bank or trust company to the Corporation.

(d) Any shares of First Preferred Stock redeemed or purchased for retirement by the Corporation by the application of capital or otherwise shall be retired and shall not be reissued and the Corporation may from time to time take such appropriate corporate action as may be necessary to reduce the authorized First Preferred Stock accordingly.

(e) Except as otherwise provided in this Certificate or as otherwise made mandatory by law, each holder of First Preferred Stock shall be entitled to one vote for each share of such stock then outstanding and of record in his name on the books of the Corporation.

PART II. *Provisions Applicable to All Series of Cumulative Series First Preferred Stock*

(a) The Series Preferred Stock may be issued from time to time in one or more series. The terms of the initial series shall be as specified herein and in Part III of this Article, and the terms of each subsequent series shall be as specified in this Part II and in the resolution or resolutions adopted by the Board of Directors providing for the issue of such series, which resolution or resolutions the Board of Directors is hereby expressly authorized to adopt. Such resolution or resolutions with respect to a series other than the initial series shall specify: (1) the number of shares to constitute such series and the distinctive designation thereof; (2) the annual dividend rate on the shares of such series and the date or dates from which dividends shall accrue and be cumulative; (3) the time or times and price or prices of redemption, if any, of the shares of such series; (4) the terms and conditions of a retirement or sinking fund, if any, for the purchase or redemption of the shares of such series; (5) the amount which shares of such series shall be entitled to receive in the event of any liquidation, dissolution or winding up of the Corporation; (6) the terms and conditions, if any, on which shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or classes, or other series of the same class, of the Corporation; (7) the voting rights, if any, of shares of such series in addition to those granted by paragraph (e) of this Part II; (8) the status as to reissuance or sale of shares of such series redeemed, purchased or otherwise reacquired, or surrendered to the Corporation on conversion; (9) the conditions and restrictions, if any, on the payment of dividends or on the making of other distributions on, or the purchase, redemption or other acquisition by the Corporation or any subsidiary, of the Common Stock or of any other class of stock of the Corporation ranking junior to the shares of such series as to dividends or upon liquidation; (10) the conditions and restrictions, if any, on the creation of indebtedness of the Corporation, or any subsidiary, or on the issue of any additional stock ranking on a parity with or prior to the shares of such series as to dividends or upon liquidation; and (11) such other preferences, rights, restrictions and qualifications as shall not be inconsistent herewith.

All shares of the Series Preferred Stock shall rank equally and be identical in all respects regardless of series, except as to terms which may be specified by the Board of Directors pursuant to the foregoing provisions of this paragraph (a) or as to the terms of the initial series specified in Part III of this Article. All shares of any one series of the Series Preferred Stock shall be

of equal rank and identical 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 accrue and be cumulative.

(b) The holders of the Series Preferred Stock shall be entitled to receive out of the net profits or net assets of the Corporation applicable to dividends, when and as declared by the Board of Directors, cash dividends at the annual rate specified for each particular series, and no more, payable quarterly on the first days of January, April, July and October in each year, accruing from the date or dates specified for each such series, before any dividends shall be declared and paid upon or set apart for the Common Stock. Dividends upon the Series Preferred Stock shall be cumulative, so that if dividends upon the outstanding Series Preferred Stock at the rates specified for the respective series from the date or dates on which such dividends commence to accrue to the end of the then current quarterly dividend period for such stock shall not have been paid or declared and a sum sufficient for the payment thereof set apart, the amount of the deficiency shall be paid, but without interest, or dividends in such amount declared and set apart for payment before any dividends shall be declared or paid upon or set apart for, or any other distribution shall be ordered or made in respect of the Common Stock, or any Common Stock shall be purchased by the Corporation. If dividends on the Series Preferred Stock of any series and on the First Preferred Stock are not paid in full or declared in full and sums set apart for the payment thereof, then no dividends shall be declared and paid on any such stock unless declared and paid ratably on all shares of each series of the Series Preferred Stock and of the First Preferred Stock then outstanding, including dividends accrued or in arrears, if any, in proportion to the respective amounts that would be payable per share if all such dividends were declared and paid in full. The term "dividends accrued or in arrears" whenever used herein with reference to the Series Preferred Stock shall be deemed to mean an amount which shall be equal to dividends thereon at the annual dividend rates per share for the respective series from the date or dates on which such dividends commence to accrue to the end of the then current quarterly dividend period for such stock (or, in the case of redemption, to the date of redemption), less the amount of all dividends paid upon such stock.

(c) The Series Preferred Stock shall be preferred over the Common Stock as to assets, and in the event of any liquidation or dissolution or winding up of the Corporation (whether voluntary or involuntary) the holders of the Series Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, the amount specified for each particular series, with all dividends accrued or in arrears, for every share of their holdings of Series Preferred Stock before any distribution of the assets shall be made to the holders of the Common Stock, and shall be entitled to no other or further distribution. If upon any liquidation, dissolution or winding up of the Corporation the assets distributable among the holders of Series Preferred Stock and of the First Preferred Stock shall be insufficient to permit the payment in full to the holders of the Series Preferred Stock and of the First Preferred Stock, of all preferential amounts payable to all such holders, then the entire assets of the Corporation thus distributable shall be distributed ratably among the holders of the Series Preferred Stock and of the First Preferred Stock in proportion to the respective amounts that would be payable per share if such assets were sufficient to permit payment in full.

(d) The whole or any part of the Series Preferred Stock at any time outstanding, or the whole or any part of any series thereof, may be redeemed by the Corporation at its election, expressed by resolution of the Board of Directors, upon not less than 30 days' previous notice to the holders of record of the Series Preferred Stock to be redeemed, given as hereinafter provided, at the time or times and price or prices specified for each particular series and all dividends accrued or in arrears (hereinafter in this paragraph called "the redemption price"). If less than all of the Series Preferred Stock then outstanding, or of any series thereof, is to be redeemed, the redemption may be made either by lot or pro rata, in such manner as may be prescribed by resolution of the Board of Directors. Notice of such election of the Corporation

shall be given by publication in a newspaper of general circulation in the Borough of Manhattan, The City of New York, such publication to be made not less than 30 nor more than 60 days prior to such redemption date. A similar notice shall be mailed by the Corporation, postage prepaid, not less than 30 nor more than 60 days prior to such redemption date, addressed to the respective holders of record of the Series Preferred Stock to be redeemed at their respective addresses as the same shall appear on the stock transfer records of the Corporation, but the mailing of such notice shall not be a condition of such redemption. Notice having been so given by publication, from and after the date fixed therein as the date of redemption, unless default shall be made by the Corporation in providing moneys for the payment of the redemption price pursuant to such notice, all dividends on the Series Preferred Stock thereby called for redemption shall cease to accrue, and from and after the date of redemption so specified, unless default shall be made by the Corporation as aforesaid, or from and after the date (prior to the date of redemption so specified) on which the Corporation shall provide the moneys for the payment of the redemption price by depositing the amount thereof with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least $10,000,000, provided that the notice of redemption shall state the intention of the Corporation to deposit such amount on a date in such notice specified, all rights of the holders thereof as stockholders of the Corporation, except the right to receive the redemption price (but without interest), and the right, if any, to exercise all privileges of conversion specified for any particular series, shall cease and determine. Any interest allowed on moneys so deposited shall be paid to the Corporation. Any moneys so deposited which shall remain unclaimed by the holders of such Series Preferred Stock at the end of six years after the redemption date, shall become the property of, and be paid by such bank or trust company to, the Corporation.

(e) Except as otherwise provided in this Certificate or as otherwise made mandatory by law, each holder of Series Preferred Stock shall be entitled to one vote for each share of such stock then outstanding and of record in his name on the books of the Corporation.

If at any time dividends in respect of any series of Series Preferred Stock shall be in default in an amount equal to or exceeding the dividend thereon for six quarterly periods at the rate fixed therefor, the holders of the outstanding Series Preferred Stock of all series, voting separately as a class, each share of Series Preferred Stock having one vote, in addition to any other voting right of such stock with respect to election of Directors, shall become entitled at the next annual meeting of stockholders and at each annual meeting thereafter until all dividends in default on all series of Series Preferred Stock shall have been paid or declared and a sum sufficient for the payment thereof set apart, to elect two Directors of the Corporation, and the remaining Directors of the Corporation shall be elected by the holders of stock of the Corporation entitled to vote at elections of Directors in the absence of such a default in the payment of dividends, including the holders of outstanding Series Preferred Stock. When all dividends in default on all series of Series Preferred Stock shall thereafter be paid or declared and a sum sufficient for the payment thereof set apart, the holders of the outstanding Series Preferred Stock shall then be divested of such right to elect two Directors of the Corporation and at the next annual meeting of stockholders and at each annual meeting thereafter each holder of Series Preferred Stock shall again have the same voting rights at the election of Directors as such holder would have had but for such default in the payment of dividends, but always subject to the same provisions for the vesting of such right to elect two Directors in case of any similar future default in the payment of dividends on any series of Series Preferred Stock.

So long as any shares of Series Preferred Stock shall be outstanding and unless the consent or approval of a greater number of shares shall then be required by law, without first obtaining the consent or approval of the holders of at least two-thirds of the number of such shares at the time outstanding, given in person or by proxy at a meeting at which the holders of such shares shall be entitled to vote separately as a class, the Corporation shall not: (1) issue shares of any class or

series of stock having any preference or priority as to dividends or upon liquidation (hereinafter referred to as "Senior Stock") over the Series Preferred Stock; (2) reclassify any shares of stock of the Corporation into shares of Senior Stock; (3) issue any security exchangeable for, convertible into, or evidencing the right to purchase any shares of Senior Stock; (4) be a party to any merger or consolidation unless the surviving or resulting corporation will have after such merger or consolidation no stock either authorized or outstanding ranking prior as to dividends or upon liquidation to the Series Preferred Stock or to the stock of the surviving or resulting corporation issued in exchange therefor (except such prior ranking stock of the Corporation as may have been authorized or outstanding immediately preceding such merger or consolidation or such stock of the surviving or resulting corporation as may be issued in exchange therefor); or (5) amend, alter or repeal the Certificate of Incorporation of the Corporation to alter or change the preferences, rights or powers of the Series Preferred Stock so as to affect such stock adversely.

So long as any shares of Series Preferred Stock shall be outstanding and unless the consent or approval of a greater number of shares shall then be required by law, without first obtaining the consent or approval of the holders of a majority of the number of such shares at the time outstanding, given in person or by proxy at a meeting at which the holders of such shares shall be entitled to vote separately as a class, the Corporation shall not amend the provisions of its Certificate of Incorporation so as to increase the amount of the authorized Series Preferred Stock or so as to authorize any other stock ranking on a parity with the Series Preferred Stock either as to payment of dividends or upon liquidation.

PART III. *Special Provisions Applicable to Initial Series of Cumulative Series First Preferred Stock*

There is hereby established an initial series of Series Preferred Stock which shall be designated "$4 Cumulative Convertible First Preferred Stock" (hereinafter called "$4 Convertible Preferred Stock") and shall consist of 1,265,000 shares, and no more. The powers, privileges and relative, participating, optional and other special rights and the qualifications, limitations and restrictions, other than those specified for all series of Series Preferred Stock in Part II of this Article, of the $4 Convertible Preferred Stock, shall be as follows:

(a) The dividend rate for the $4 Convertible Preferred Stock shall be $4.00 per share per annum. In the case of shares of such stock issued in exchange for shares of stock of The Hertz Corporation pursuant to the Agreement of Merger between the Corporation and The Hertz Corporation dated as of December 8, 1966 (herein called the "Agreement of Merger"), such dividends shall accrue and be cumulative thereon from the first day of the quarterly dividend period in which the merger provided for in the Agreement of Merger becomes effective. In the case of all other shares of such stock, such dividends shall accrue and be cumulative thereon from the first day of the quarterly dividend period in which such shares shall be issued, except that if shares are issued after the dividend record date for such quarter, such dividends shall accrue and be cumulative thereon from the first day of the next following quarterly dividend period.

(b) The amount payable on the $4 Convertible Preferred Stock in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, shall be $100 per share.

(c) The Corporation may redeem the $4 Convertible Preferred Stock at any time or from time to time on and after a date which is five years after the effective date of the merger provided for in the Agreement of Merger. The initial price at which such stock may be redeemed shall be $105 per share and this price shall decline by fifty cents on each anniversary of that date thereafter so that on the tenth anniversary of that date and at all times thereafter the price at which such stock may be redeemed shall be $100 per share.

(d) In the event that any quarterly dividend due on any shares of $4 Convertible Preferred Stock shall be in default, until all such defaults have been cured, the Corporation shall not (A) redeem any shares of $4 Convertible Preferred Stock or any other stock ranking junior to or on a parity with the $4 Convertible Preferred Stock either with respect to payment of dividends or upon liquidation, unless all outstanding shares of $4 Convertible Preferred Stock shall be redeemed, or (B) purchase or otherwise acquire any shares of $4 Convertible Preferred Stock or any other stock ranking junior to or on a parity with the $4 Convertible Preferred Stock either with respect to payment of dividends or upon liquidation, except in accordance with a purchase offer made by the Corporation to all holders of record of the $4 Convertible Preferred Stock and the holders of all other preferred stock included in such offer providing for the purchase of the $4 Convertible Preferred Stock at a stated price per share (which price and the stated prices per share for any other preferred stock included in such offer shall be in equal proportion to the respective redemption prices then applicable to the $4 Convertible Preferred Stock and any such other preferred stock) and upon stated terms, other than price, which shall be the same with respect to all classes and series of stock included in such offer.

(e) Any share or shares of the $4 Convertible Preferred Stock may be converted, at any time and from time to time, at the option of the holder thereof, in the manner hereinafter provided, into fully paid and nonassessable shares of Common Stock of the Corporation; provided, however, that as to any share of $4 Convertible Preferred Stock which shall have been called for redemption, the right of conversion shall terminate at the close of business on the second full business day prior to the date fixed for redemption.

(A) Shares of $4 Convertible Preferred Stock may be converted into full shares of Common Stock at the rate of two shares of Common Stock for each one share of $4 Convertible Preferred Stock surrendered for conversion, subject to adjustment as hereinafter provided. The term "Basic Conversion Rate" shall mean a conversion rate of two, as such conversion rate may be adjusted from time to time pursuant to clause (4) following.

(1) If and whenever after the merger provided for in the Agreement of Merger becomes effective (the effective date thereof herein called the "$4 Convertible Preferred Stock Issue Date"), there shall occur an issuance or sale of any shares of Common Stock, or of any Convertible Securities or Rights of the character referred to in clause (2) following, or any termination or change of conversion or option privileges as referred to in clause (3) following, or any subdivision or combination of shares of Common Stock as referred to in clause (4) following, or any other event which, under the following provisions, would result in adjustment of the conversion rate then in effect by 1/100 of a share of Common Stock or more, then successively upon each such event the conversion rate shall be adjusted in accordance with the following formula (or, in a case covered by clause (4) following, then by the adjustment provided in that clause) and the provisions of the following subparagraph (B):

$50 shall be multiplied by the number of shares of Common Stock outstanding after any such event and the resulting product shall be divided by the aggregate consideration received by the Corporation for the shares of Common Stock so outstanding. The resulting quotient shall be multipled by two and the product, adjusted to the nearest 1/100, shall thereafter be the conversion rate until further adjusted as herein provided (except that if by such computation the conversion rate would be decreased to less than the Basic Conversion Rate, the conversion rate shall nevertheless be the Basic Conversion Rate). For the purpose of such computation the Corporation shall be deemed to have received $50 for each share of Common Stock outstanding at the $4 Convertible Preferred Stock Issue Date (including shares becoming issuable in exchange for shares of stock of The Hertz Corporation pursuant to the Agreement of Merger) and for each share of Common Stock issued thereafter on

conversion of shares of $4 Convertible Preferred Stock. In computing the aggregate consideration received by the Corporation for the shares of Common Stock outstanding as of any date, there shall be deducted an amount equal to $50 multiplied by the number of shares of Common Stock acquired by the Corporation subsequent to the $4 Convertible Preferred Stock Issue Date.

(2) In case at the time of such computation there shall be issued or be outstanding any securities convertible into Common Stock (herein called "Convertible Securities"), other than shares of the $4 Convertible Preferred Stock, or any options (other than options heretofore or hereafter granted or assumed to purchase shares of Common Stock or of $4 Convertible Preferred Stock of the Corporation intended to qualify as restricted or qualified stock options for the purposes of the Internal Revenue Code or any substantially similar provisions of the Internal Revenue Code in effect at the time such options are granted), warrants or rights to purchase, subscribe for or otherwise acquire from the Corporation shares of Common Stock or Convertible Securities (herein called "Rights"), with conversion or option privileges unexpired and unexercised, then for the purpose of such computation there shall be deemed to have been issued and to be outstanding all shares of Common Stock issuable upon conversion of such Convertible Securities (other than the $4 Convertible Preferred Stock) or upon exercise of such Rights (and conversion of all Convertible Securities other than $4 Convertible Preferred Stock issuable upon such exercise), and the Corporation shall be deemed to have received consideration therefor equal to the consideration, if any, originally received by it upon the issue of such Convertible Securities (other than the $4 Convertible Preferred Stock) or Rights, plus the minimum consideration, if any, which would be receivable by it upon their conversion or exercise (and, in the case of Rights, conversion of all Convertible Securities other than $4 Convertible Preferred Stock issuable upon exercise of such Rights).

(3) In case at any time any of the conversion or option privileges of any Convertible Securities or Rights referred to in the foregoing clause (2) shall terminate, whether by their terms or by reason of redemption or other retirement of such Convertible Securities or Rights, or otherwise, or shall otherwise change, new computations shall be made as provided in the foregoing clause (1) and the conversion rate shall be readjusted to such conversion rate as would have obtained had the adjustments made upon the issuance of such Convertible Securities or the granting of such Rights been made upon the basis of (i) the issuance of only the number of shares of Common Stock actually delivered upon the conversion of such Convertible Securities or upon exercise of such Rights, in case of such termination of conversion or option privileges or (ii) the issuance of shares of Common Stock on the basis of the changed conversion or option privilege in case there has been such change.

(4) In case at any time shares of Common Stock outstanding shall be increased by a subdivision, recapitalization or reclassification of shares, then the current conversion rate and the Basic Conversion Rate shall be proportionately increased. For this purpose stock dividends aggregating more than 5% in any calendar year shall be (but such dividends of or aggregating 5% or less in any calendar year shall not be) considered a subdivision, reclassification or recapitalization. In case at any time shares of Common Stock outstanding shall be combined into a lesser number of shares whether by reclassification, recapitalization, reduction of capital stock or otherwise then the current conversion rate and the Basic Conversion Rate shall be proportionately decreased.

(5) In case of any capital reorganization of the Corporation, any reclassification or change of outstanding shares of Common Stock, or in case of any consolidation or merger of the Corporation with or into another corporation, or in case of any sale or conveyance to

another corporation of all or substantially all of the property of the Corporation, the holder of each share of $4 Convertible Preferred Stock then outstanding (or of the stock or other securities received in lieu of such shares) shall have the right thereafter to convert such share (or such other stock or securities) into the kind and amount of shares of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock (whether whole or fractional) of the Corporation into which such share of $4 Convertible Preferred Stock might have been converted immediately prior to such reclassification, change, consolidation, merger, sale or conveyance, and shall have no other conversion rights under these provisions; and effective provision shall be made in the Certificate of Incorporation of the resulting or surviving corporation or otherwise, so that the provisions set forth herein for the protection of the conversion rights of the $4 Convertible Preferred Stock shall thereafter be applicable, as nearly as reasonably may be, to any such other shares of stock and other securities and property deliverable upon conversion of the $4 Convertible Preferred Stock remaining outstanding or other convertible securities received by the holders in place thereof; and any such resulting or surviving corporation shall expressly assume the obligation to deliver, upon the exercise of the conversion privilege, such shares, securities or property as the holders of the $4 Convertible Preferred Stock remaining outstanding, or other convertible securities received by the holders in place thereof, shall be entitled to receive pursuant to the provisions hereof, and to make provisions for the protection of the conversion right as above provided. In case securities or property other than Common Stock shall be issuable or deliverable upon conversion as aforesaid, then all references in this paragraph (e) shall be deemed to apply, so far as appropriate and as nearly as may be, to such other securities or property. The provisions of this clause (5) shall similarly apply to successive reorganizations, reclassifications, changes, consolidations, mergers, sales or conveyances.

(6) In case the Corporation shall take a record of the holders of shares of its stock of any class for the purpose of entitling them (i) to receive a dividend or a distribution payable in Common Stock, Convertible Securities or Rights or (ii) to purchase, subscribe for or otherwise acquire Common Stock, Convertible Securities or Rights, then such record date shall be deemed to be the date of the issue or sale of the Common Stock issued or sold or deemed to have been issued or sold upon the payment of such dividend or the making of such other distribution, or the date of the granting of such rights of purchase, subscription or other acquisition, as the case may be.

(7) In the event of any action or proposed action by the Corporation wherein, in the opinion of the Board of Directors, the other provisions of this paragraph (e) are not strictly applicable, or, if strictly applicable, would not fairly protect the conversion rights of the $4 Convertible Preferred Stock, then the Board of Directors shall make an adjustment in the application of such provisions, or shall take such other action as the Board of Directors may deem appropriate, so as to protect the rights of the holders of $4 Convertible Preferred Stock.

(B) For the purpose of each computation to be made as provided in the foregoing subparagraph (A), the following provisions shall be applicable, except as otherwise specifically provided:

(1) In case of a consideration consisting in whole or in part of cash, the cash consideration shall be deemed to be the amount of cash constituting or included in such consideration, except as otherwise provided in clause (7) of this subparagraph (B).

(2) In case of a consideration consisting in whole or in part of other than cash, the amount of the consideration other than cash shall be deemed to be the value of such consideration as determined by the Board of Directors of the Corporation.

(3) Any shares of Common Stock or Convertible Securities or Rights issued as a dividend on the Common Stock shall be deemed to have been issued for no consideration.

(4) In case of the issue of shares of Common Stock or Convertible Securities or Rights in payment or satisfaction of any dividend on any class of stock of the Corporation ranking prior to the Common Stock as to dividends, the amount of the consideration received by the Corporation therefor shall be deemed to be the amount of the obligation in respect of dividends that shall be discharged by the issuance thereof.

(5) In case the shares of Common Stock at any time outstanding shall be subdivided, by reclassification, recapitalization or otherwise, into a greater number of shares without the actual receipt by the Corporation of any consideration for the additional number of shares so issued, the number of such shares as so subdivided in excess of the number of shares of Common Stock outstanding prior to the subdivision thereof shall be deemed to be additional shares of Common Stock issued for no consideration.

(6) In case of the issue of shares of Common Stock upon the conversion of any Convertible Securities (other than the $4 Convertible Preferred Stock), the amount of the consideration received by the Corporation for such shares of Common Stock shall be deemed to be the consideration, if any, originally received by the Corporation upon the issue of such Convertible Securities, plus the consideration, if any, received by the Corporation upon such conversion.

(7) In case of the issue or sale of shares of Common Stock upon the exercise of options heretofore or hereafter granted or assumed by the Corporation or a subsidiary, provided such options were intended to qualify as restricted or qualified stock options for the purposes of the Internal Revenue Code or any substantially similar provision of the Internal Revenue Code in effect at the time such options were granted, or the issue or sale of shares of Common Stock pursuant to the Corporation's Incentive Plan or any other employee benefit plan, the amount of the consideration received by the Corporation for each share of such Common Stock, if less than $50, shall nevertheless be deemed to be $50 per share.

(8) In case of the issue or sale of shares of Common Stock or Convertible Securities upon the exercise of any Rights, the amount of the consideration received by the Corporation for such shares of Common Stock or Convertible Securities shall be deemed to be the consideration, if any, originally received by the Corporation upon such exercise.

(9) The consideration received or deemed to be received by the Corporation for any Common Stock, Convertible Securities or Rights issued by it for cash shall be the gross amount of the consideration received therefor, before deduction therefrom of any expenses incurred or any underwriting commissions or concessions paid or allowed by the Corporation in connection therewith.

(10) The shares of Common Stock, Convertible Securities or Rights at any time outstanding shall not include any then owned or held by or for the account of the Corporation or any of its subsidiaries.

(11) None of the following events shall be deemed, for the purpose of the above computations, to be an event requiring an adjustment of the conversion rate: (i) issuance of shares of Common Stock upon conversion of $4 Convertible Preferred Stock or any Convertible Securities, (ii) issuance or sale of shares of Common Stock upon exercise of any options or Rights, or (iii) issuance or sale of shares of Common Stock pursuant to the Corporation's Incentive Plan or any other employee benefit plan.

(C) Any conversion rate determined or adjusted as herein provided shall remain in effect until further adjustment as required herein. Upon each adjustment of the conversion rate or Basic Conversion Rate, the Corporation at its expense shall cause the independent public accountants who regularly audit the books and accounts of the Corporation or other independent public accountants of recognized standing selected by the Corporation to compute such adjustment in accordance with the terms hereof and prepare a certificate setting forth such adjustment and showing in detail any facts upon which such adjustment is based, including a statement of (i) the number of shares of Common Stock outstanding or deemed to be outstanding, (ii) the consideration received or to be received by the Corporation for each outstanding share issued or sold (or deemed to have been issued or sold) after the $4 Convertible Preferred Stock Issue Date and (iii) the conversion rate in effect immediately prior to the time each such outstanding share was (or was deemed to have been) issued or sold, and such certificate, together with a written instrument signed by an officer of the Corporation setting forth the resolutions, if any, of the Board of Directors passed in connection with such adjustment, shall forthwith be filed with the Transfer Agent or Agents, if any, for the $4 Convertible Preferred Stock, and any adjustment so evidenced, made in good faith, shall be binding upon all shareholders and upon the Corporation. Upon any conversion, fractional shares shall not be issued, but any fractions shall be adjusted in cash on the basis of the market price of the Common Stock at the close of business on the date of conversion unless the Board of Directors shall determine to adjust them in some other manner permitted by law. Upon any conversion, no adjustment shall be made for dividends on the $4 Convertible Preferred Stock surrendered for conversion or on the Common Stock delivered. The Corporation shall pay all issue taxes, if any, incurred in respect of the issue of the Common Stock on conversion, provided, however, that the Corporation shall not be required to pay any transfer or other taxes incurred by reason of the issuance of such Common Stock in names other than those in which the $4 Convertible Preferred Stock surrendered for conversion may be registered.

(D) Any conversion of $4 Convertible Preferred Stock into shares of Common Stock shall be made by the surrender to the Corporation, at the office of any Transfer Agent for the $4 Convertible Preferred Stock, of the certificate or certificates representing the $4 Convertible Preferred Stock to be converted, duly endorsed or assigned (unless such endorsement or assignment be waived by the Corporation), together with a written request for conversion. Such conversion shall be deemed to have been made as of the close of business on the date of such surrender of the shares of $4 Convertible Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock upon such conversion shall be treated for all purposes as having become the record holder or holders of such shares of Common Stock at such time.

(E) All shares of $4 Convertible Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding, and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall forthwith cease and determine except only the right of the holders thereof to receive Common Stock and cash for fractions of a share in exchange therefor.

(F) Such number of shares of Common Stock as may be necessary to provide for the conversion of all outstanding $4 Convertible Preferred Stock upon the basis herein provided are hereby reserved for such conversion, subject to the provisions of clause (5) of subparagraph (A) of this paragraph (c). If the Corporation shall propose to issue any securities or to make any change in its capital structure which would change the number of shares of Common Stock into which the $4 Convertible Preferred Stock shall be convertible as herein provided, the Corporation shall at the same time also make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved for conversion of the outstanding $4 Convertible Preferred Stock on the new basis.

(f) Any shares of $4 Convertible Preferred Stock redeemed, purchased or otherwise reacquired, or surrendered to the Corporation on conversion shall resume the status of authorized and

unissued shares of Series Preferred Stock without series designation. Such shares shall not be reissued as part of the initial series established in this Part III, but may be reissued as part of any other series of Series Preferred Stock established in accordance with the resolution or resolutions of the Board of Directors provided for in paragraph (a) of Part II of this Article.

(g) In the event that, while any shares of $4 Convertible Preferred Stock shall remain outstanding:

(A) the Corporation shall declare any dividend (or any other distribution) on the Common Stock payable otherwise than in cash out of its retained earnings or in shares of Common Stock of the Corporation; or

(B) the Corporation shall offer for subscription pro rata to the holders of Common Stock any additional shares of stock of any class or any other securities; or

(C) there shall occur any consolidation with or merger of the Corporation into another corporation or a sale to another corporation of all or substantially all of the property of the Corporation, or a reclassification of the Common Stock of the Corporation into securities including other than Common Stock; or

(D) there shall occur the voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

then, and in any one or more of such cases, the Corporation shall mail to each holder of $4 Convertible Preferred Stock at the address of each such holder shown in the stock records of the Corporation, a notice stating to the extent such information is available (i) the day on which the books of the Corporation shall close, or a record shall be taken, for such dividend, distribution or subscription rights and the amount and character of such dividend, distribution or subscription rights or (ii) the day on which such consolidation, merger, sale, reclassification, liquidation, dissolution or winding up shall take place and the terms of such transaction. Such notice shall be mailed at least 15 days in advance of the day therein specified.

PART IV. *Provisions Applicable To Common Stock*

(a) After the requirements in respect of dividends upon the First Preferred Stock and the Series Preferred Stock, as hereinbefore set forth, to the end of the then current quarterly dividend period for said classes or series of stock, shall have been met, the holders of the Common Stock shall be entitled to receive out of any remaining net profits or net assets of the Corporation applicable to dividends, such dividends as may from time to time be declared by the Board of Directors, and the holders of the Common Stock shall be entitled to share ratably in any dividends so declared to the exclusion of the holders of the First Preferred Stock and of the Series Preferred Stock.

(b) In the event of any liquidation or dissolution or winding up of the Corporation (whether voluntary or involuntary), after payment in full of the amounts hereinbefore stated to be payable in respect of the First Preferred Stock and of the Series Preferred Stock, the holders of the Common Stock shall be entitled, to the exclusion of the holders of the First Preferred Stock and of the Series Preferred Stock, to share ratably in all the assets of the Corporation then remaining.

(c) Except as otherwise provided in this Certificate or as otherwise made mandatory by law, each holder of Common Stock shall be entitled to one vote for each full share of such stock then outstanding and of record in his name on the books of the Corporation.

Fifth. The number of shares with which this Corporation will commence business is ten (10) shares of common stock, which shares are without nominal or par value.

Sixth. The names and places of residence of the original subscribers to the shares of capital stock of the Corporation and the number of shares subscribed for by each are as follows:

Names	*Residence*	*Number of Shares*
T. L. Croteau,	Wilmington, Delaware	8
P. B. Drew,	Wilmington, Delaware	1
H. E. Knox,	Wilmington, Delaware	1

Seventh. The Corporation is to have perpetual existence.

Eighth. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

Ninth. The number of Directors of the Corporation shall be nineteen, but such number at any time, and from time to time, may be increased or decreased by the By-laws, but shall not be less than three. In case the number of Directors shall at any time be increased, the Board of Directors then in office shall have power to fill any vacancies arising from any such increase (unless any such vacancies shall have been previously filled by the stockholders). Directors need not be stockholders.

Except as may be otherwise provided in the By-laws, in case of any vacancy in the Board of Directors through death, resignation, disqualification or otherwise, the remaining Directors may elect a successor to hold office for the unexpired portion of the term of the Director whose place shall be vacant and until the election and qualification of his successor.

Any officer or other employee chosen, elected or appointed by the Board of Directors may be removed (except from the office of Director) at any time by vote of a majority of the whole Board of Directors. Any other officers or employees of the Corporation may be removed by a vote of the Board of Directors or by any committee or superior officer upon whom such power of removal may be conferred by the By-laws or by vote of the Board of Directors.

The stockholders and the Board of Directors shall have power to hold their meetings outside the State of Delaware at such places as from time to time may be designated by the By-laws, or in case of the Board of Directors, by resolution of that board.

The Board of Directors shall have power, without the assent or vote of the stockholders, to authorize and to cause to be executed mortgages and liens upon the real and personal property of the Corporation, including after-acquired property.

The Board of Directors shall have power to make, alter, amend and repeal the By-laws of the Corporation (except so far as the By-laws adopted by the stockholders shall otherwise provide). Any By-laws made by the Directors under the powers conferred hereby may be altered, amended or repealed by the Directors or by the stockholders.

The Corporation may, at any meeting of the Board of Directors, sell, lease or exchange all of its property and assets, including its goodwill and its corporate franchises, upon such terms and conditions, either for cash or for the securities of any other corporation, or partly for cash and partly for such securities, as the Board of Directors deem expedient and for the best interests of the Corporation, when and as authorized by the affirmative vote of the holders of two-thirds of all the issued and outstanding shares of stock, given at a stockholders' meeting duly called for

that purpose, or when authorized by the written consent of the holders of two-thirds of all the issued and outstanding shares of stock.

The Board of Directors may, if authorized by the By-laws, by resolution passed by a majority of the whole Board, designate three or more of their number to constitute an Executive Committee, who, to the extent provided in said resolution or in the By-laws of the Corporation, shall have and exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it.

The Board of Directors shall have power from time to time to determine to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation (other than the stock ledger) or any of them shall be open to the inspection of stockholders, and no stockholder shall have any right of inspecting any account or book or document of the Corporation, except as conferred by statute of the State of Delaware, or otherwise by the Board of Directors, or by resolution of the stockholders.

No stockholder shall be entitled, as of right, to subscribe for, purchase or receive any part of any bonds, debentures or other securities convertible into stock, but all such bonds, debentures or other securities convertible into, or exchangeable for, stock may be issued and disposed of by the Board of Directors to such person or persons and on such terms and for such consideration (so far as may be permitted by law) as the Board of Directors in their absolute discretion may deem advisable.

No contract or other transaction between the Corporation and any other corporation, whether or not a majority of the capital stock of which shall be owned by the Corporation, shall be affected or invalidated by reason of the fact that any one or more of the Board of Directors of the Corporation is or are interested in, or is a director or officer or are directors or officers of such other corporation, and any director or directors, individually or jointly, may be a party or parties to, or may be interested in, any contract or transaction of the Corporation, or in which the Corporation is interested; and no contract, act or transaction of the Corporation with any person or persons, firm or corporation, shall be affected or invalidated by the fact that any director or directors of the Corporation is a party or are parties to, or interested in, such contract, act or transaction, or in any way connected with such person or persons, firm or corporation, and each and every person who may become a director of the Corporation is hereby relieved from any liability that might otherwise exist from thus contracting with the Corporation for the benefit of himself or any firm, association or corporation in which he may be in anywise interested.

Each director shall hold office until the next annual meeting of shareholders and until his successor is duly elected and qualified.

No person shall be eligible for election as a Director or officer of the Corporation who is not at the time of such election a citizen of the United States.

The Corporation may by contract or otherwise permit such participation in the administration of its affairs by the Government of the United States as the Board of Directors deem advisable.

The By-laws of the Corporation shall make effective provision that the voting power of at least eighty per cent of the total number of shares of the Corporation at any time outstanding shall be at all times in loyal citizens of the United States and/or corporations formed under the laws of the United States or formed under the laws of one of the states of the United States free from foreign control or domination and not in any foreign interest.

Tenth. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter provided by statute, and all rights conferred upon shareholders herein are granted subject to this reservation.

We, the undersigned, being each of the original subscribers to the shares of capital stock hereinbefore named for the purpose of forming a corporation to do business both within and without the State of Delaware and in pursuance of an Act of the Legislature of the State of Delaware entitled "An Act Providing a General Corporation Law" (approved March 10th, 1899), and the acts amendatory thereof and supplemental thereto, do make and file this certificate, hereby declaring and certifying that the facts 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 this 17th day of October, A. D. 1919.

T. L. CROTEAU [Seal]
P. B. DREW [Seal]
H. E. KNOX [Seal]

In the presence of:
HERBERT E. LATTER

STATE OF DELAWARE,
COUNTY OF NEW CASTLE, } *ss.:*

Be it remembered, that on this 17th day of October, 1919, personally appeared before me, Herbert E. Latter, a Notary Public in and for the County and State aforesaid, T. L. Croteau, P. B. Drew, and H. E. Knox, parties to the foregoing Certificate of Incorporation, known to me personally to be such, and I having first made known to them and each of them the contents of said Certificate, they did each severally acknowledge 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 last aforesaid.

HERBERT E. LATTER,
Notary Public.

Herbert E. Latter
Notary Public
Appointed Feb. 25, 1919
State of Delaware
Term Two Years