

CONFORMED COPY

CERTIFICATE OF THE DESIGNATIONS,  
POWERS, PREFERENCES, AND RELATIVE,  
PARTICIPATING, OPTIONAL AND OTHER SPECIAL  
RIGHTS OF SERIES B 9-3/4% CUMULATIVE  
CONVERTIBLE PREFERRED STOCK  
OF  
THE BENDIX CORPORATION  
AND  
THE QUALIFICATIONS, LIMITATIONS AND RESTRICTIONS  
THEREOF WHICH HAVE NOT BEEN SET FORTH  
IN THE CERTIFICATE OF INCORPORATION OR ANY  
AMENDMENT THERETO

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PURSUANT TO SECTION 151(g) OF THE  
GENERAL CORPORATION LAW OF  
THE STATE OF DELAWARE

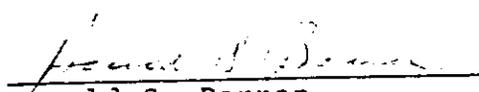
THE BENDIX CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

FIRST: At a meeting duly convened and held on December 11, 1979, the Board of Directors of the Corporation duly adopted resolutions creating Series B 9-3/4% Cumulative Convertible Preferred Stock of the Corporation, and setting forth the proposed designations, powers, preferences, and relative, participating, optional and other special rights of such stock, and the qualifications, limitations and restrictions thereof which have not been set forth in the Certificate of Incorporation or any amendment thereto, and providing for the filing of a Certificate with the Secretary of State of Delaware.

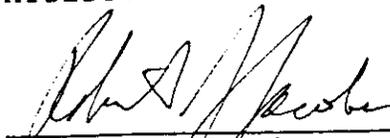
SECOND: On December 14, 1979, by written consent pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, the Board of Directors of the Corporation duly amended such resolutions, and attached hereto as Exhibit A is a true and correct copy of such resolutions, as amended.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be hereunto affixed and this certificate to be signed by Harold S. Barron, a Vice President, and attested to by Robert L. Jacobs, an Assistant Secretary, of the Corporation this 20th day of March, 1980.

THE BENDIX CORPORATION

  
Harold S. Barron  
Vice President

ATTEST:

  
Robert L. Jacobs  
Assistant Secretary

CORPORATE SEAL

## THE BENDIX CORPORATION

## Directors' Resolutions

Terms of Series B 9 3/4% Cumulative Convertible  
Preferred Stock

RESOLVED, that there is hereby authorized a second series of Preferred Stock and that the voting powers, designations, preferences and relative, participating, optional and other special rights, and qualifications, limitations and restrictions thereof are:

(a) Number and Designation. The number of shares to constitute such series shall be four million six hundred thousand (4,600,000), provided that the Board of Directors from time to time hereafter may increase or decrease (but not below the number of shares then outstanding) the number of shares constituting such series. The designation of such series shall be "Series B 9 3/4% Cumulative Convertible Preferred Stock". Such series is herein called the "Series B Preferred Stock".

(b) Dividends. The holders of Series B Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors out of funds legally available for the purpose, dividends in cash at the rate of \$4.04 per share per annum, and no more, payable quarter-yearly on or before the end of each calendar quarter ending March, June, September and December from and after the date of issue, with the initial dividend payable on or before the last day of the first of such months which is at least forty-five days after the date of issue. Each quarterly dividend payable on or before the last day of March, June, September, and December shall be at the rate of \$1.01 per share. Dividends on the Series B Preferred Stock shall be preferential and cumulative, so that so long as any Series B Preferred Stock shall be outstanding the corporation will not declare or pay, or set apart for payment, any dividends (other than dividends payable in shares of any class or classes of stock of the corporation ranking junior to the Preferred Stock), or make any distribution, on any class or classes of stock of the corporation ranking junior to the Preferred Stock, and will not redeem, purchase or otherwise acquire, directly or indirectly, whether voluntarily, for a sinking fund, or otherwise, any shares of any class or classes of stock of the corporation ranking junior to the Preferred Stock if at the time of making such declaration, payment,

setting apart, distribution, redemption, purchase or acquisition, full cumulative dividends upon all outstanding shares of Series B Preferred Stock shall not have been paid or declared and set apart for payment for all past quarterly dividend periods, provided that notwithstanding the foregoing the corporation may at any time redeem, purchase or otherwise acquire shares of stock of any such junior class in exchange for, or out of the net cash proceeds from the concurrent sale of, other shares of stock of any such junior class.

(c) Redemption. The corporation shall have the right at any time on or after the fifth anniversary of the date of issuance, to redeem, in whole or from time to time in part, the Series B Preferred Stock by paying for each share in cash the applicable redemption price, plus in each case an amount equal to all dividends accrued and unpaid thereon to the date fixed for redemption. The redemption price will be \$43.52, reduced by \$.40 on each of the sixth, seventh, eighth and ninth anniversaries of the date of issuance and reduced by \$.42 on the tenth such anniversary in 1990 after which the redemption price will be \$41.50.

In case of the redemption of only a part of the outstanding shares of the Series B Preferred Stock, the shares to be redeemed shall be selected by lot or pro rata in such manner as the Board of Directors shall determine; provided, however, that no part of the outstanding shares of Series B Preferred Stock shall be redeemed if the corporation shall be in default with respect to any dividend payable on any outstanding shares of the Series B Preferred Stock.

The corporation shall cause at least 30 days' but no more than 90 days' prior notice to be mailed, first class postage prepaid, to each holder of record of the Series B Preferred Stock to be redeemed, such notice to set forth the date of such redemption, the place for surrender of certificates for shares to be redeemed and a statement of or reference to the conversion right set forth in paragraph (f) below entitled "Conversion". If such notice of redemption shall have been duly given and if on or before the redemption date specified in such notice there shall have been deposited with a bank or trust company having capital, surplus and undivided profits of at least Five Million Dollars (\$5,000,000), in trust for the account of the holders of the shares so called for redemption which shall not have been surrendered for conversion pursuant to paragraph (f) below entitled "Conversion", the funds necessary for such redemption, then upon the making of such deposit in trust, the shares with respect to which such deposit shall have been made shall no longer be deemed to be outstanding, and all rights with respect to such shares shall

forthwith cease and determine, except only the right to receive, out of the funds so deposited in trust, from and after the date of such deposit, the amount payable upon the redemption thereof, without interest, or to convert their shares as provided in paragraph (f) below entitled "Conversion"; provided, however, that if no such deposit shall have been made, then upon the date fixed for redemption, unless default shall be made in providing funds at the time and place specified for the payment of the redemption price, the shares so called for redemption shall no longer be deemed to be outstanding, and all rights with respect to such shares shall forthwith cease and determine, except only the right to receive the amount payable upon the redemption thereof, without interest. Any interest accrued on funds so deposited in trust shall belong to the corporation and be paid to it from time to time. In case any shares called for redemption shall be converted after deposit of the amount payable upon the redemption thereof, such amount shall thereupon be returned to the corporation. Any other funds set aside or deposited and unclaimed at the end of six (6) years from the date fixed for such redemption shall be repaid to the corporation upon its request, after which repayment the holders of the shares so called for redemption shall look only to the corporation for the payment of the amount payable upon the redemption thereof, without interest.

(d) Liquidation Rights. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the corporation, the holders of Series B Preferred Stock shall be entitled to receive, before any payment or distribution of the assets of the corporation shall be made to or set apart for any class or classes of stock of the corporation ranking junior to the Preferred Stock and except as otherwise provided in paragraph (B).(5) of Article Fourth of the Certificate of Incorporation of the corporation, an amount equal to \$41.50 per share, plus an amount equal to all dividends accrued thereon to the date of final distribution to such holders; but they shall be entitled to no further payment.

(e) Sinking Fund. The shares of Series B Preferred Stock shall not be subject to the operation of any mandatory purchase, retirement or sinking fund.

(f) Conversion. Any holder of shares of Series B Preferred Stock, at his option at any time and from time to time, may convert any or all shares of Series B Preferred Stock held by him into full paid and non-assessable shares of Common Stock, on the following terms and conditions:

(1) Series B Preferred Stock may be converted into Common Stock at the rate of .768 share of Common Stock for each share of Series B Preferred Stock, subject to adjustment from time to time as hereinafter provided, except that as to any shares of Series B Preferred Stock called for redemption, the right of conversion of such shares shall expire at the close of business on the last full business day prior to the date fixed for redemption. Upon any conversion, fractional shares shall not be issued, but any fractions shall be adjusted in cash in a manner determined by the Board of Directors of the corporation, whose determination shall be conclusive. Upon any conversion, no adjustment shall be made for dividends on the Series B Preferred Stock surrendered for conversion or on the Common Stock delivered on conversion.

(2) Each holder of Series B Preferred Stock desiring to exercise his right of conversion shall deliver written notice of his election to convert Series B Preferred Stock, stating the names and addresses of the person to whom the Common Stock is to be issued, and shall surrender the certificate for such shares, duly endorsed or assigned for transfer (unless such endorsement or assignment be waived by the corporation) to the corporation at the office of a Transfer Agent for the Series B Preferred Stock. Upon receipt by the corporation of any such notice of election to convert Series B Preferred Stock and upon surrender of the certificate therefor, the corporation shall execute and deliver, as soon as practicable to the converting holder of Series B Preferred Stock, or to his nominee or nominees, a certificate or certificates for the number of full shares of Common Stock resulting from such conversion, together with any cash adjustment in lieu of fractional shares. For all purposes, the rights of a converting holder of Series B Preferred Stock as such shall cease, and the person or persons in whose name or names the certificates for Common Stock issuable upon such conversion are to be issued shall be deemed to have become the record holder or holders of such Common Stock, at the close of business on the day on which delivery of such notice or the surrender of the certificate for such shares (whichever shall last occur) shall be made.

(3) The corporation shall reserve and set apart and have at all times available a number of shares of Common Stock sufficient to enable it at any time to fulfill its obligations with respect to the conversion of the Series B Preferred Stock under this paragraph (f).

(4) The corporation shall pay all issue taxes, if any, incurred in respect of the Common Stock delivered on conversion, provided, however, that the corporation shall not be required to pay any transfer or other taxes, if any, incurred by reason of the issuance or delivery of such Common Stock in names other than those in which the Series B Preferred Stock surrendered for conversion is registered, and no such issuance or delivery shall be made unless and until there has been paid to the corporation the amount of any such taxes, or there shall have been established to the satisfaction of the corporation that such taxes have been paid.

(5) The conversion rate set forth in subparagraph (1) of this paragraph (f) shall be subject to adjustment from time to time as follows:

(i) In case the corporation shall

(a) pay a dividend of Common Stock on outstanding Common Stock,

(b) subdivide outstanding Common Stock into a larger number of shares of Common Stock by reclassification or otherwise, or

(c) combine outstanding Common Stock into a smaller number of shares of Common Stock by reclassification or otherwise,

the conversion rate in effect immediately prior thereto shall be adjusted proportionately so that the holder of any Series B Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock which he would have owned after the happening of any of the events described above had such Series B Preferred Stock been converted immediately prior to the happening of such event. An adjustment made pursuant to this subparagraph (i) shall become effective retroactively immediately after the record date in the case of a share dividend and shall become effective immediately after the effective date in the case of a subdivision or combination.

(ii) In case the corporation shall issue rights or warrants to the holders of its Common Stock entitling them, during a period not exceeding 45 days

after the record date mentioned below, to subscribe for or purchase Common Stock at a price per share less than the current market price for Common Stock (as defined below) at such record date, the number of shares of Common Stock into which each share of Series B Preferred Stock shall be convertible thereafter shall be determined by multiplying the number of shares of Common Stock into which each share of Series B Preferred Stock was convertible theretofore by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately prior to such record date plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the denominator shall be the number of shares of Common Stock outstanding immediately prior to such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares being offered would purchase at such current market price. Such adjustment shall be made whenever such rights or warrants are issued, and shall become effective retroactively immediately after the record date for the determination of the stockholders entitled to receive such rights or warrants.

(iii) In case the corporation shall distribute pro rata to holders of its Common Stock evidences of its indebtedness or assets (excluding cash dividends and distributions to the extent permitted by law and the Certificate of Incorporation), or rights or warrants to subscribe for any security except as described in subparagraph (ii) above, the number of shares of Common Stock into which each share of Series B Preferred Stock shall be convertible thereafter shall be determined by multiplying the number of shares of Common Stock into which each share of Series B Preferred Stock was convertible theretofore by a fraction, of which the numerator shall be the current market price for Common Stock on such date, and of which the denominator shall be such price less the fair market value (as determined by the Board of Directors of the corporation, whose determination shall be conclusive) of the portion of the evidences of indebtedness, assets, rights or warrants distributed pro rata to one of the outstanding shares of Common Stock. Such adjustment shall become effective retroactively immediately after the record date for the determination of stockholders entitled to receive such distribution.

(iv) For the purpose of any computation pursuant to subparagraph (ii) or (iii) above, the current market price for Common Stock at any date shall be deemed to be the average of the daily closing prices for the 30

consecutive business days commencing 45 business days before the date in question. The closing price for each day shall be the last sales price or, in case no sale takes place on such day, the average of the closing bid and asked prices, in either case as reported on the Composite Tape (or if no longer in existence on a comparable reporting service), or if the Common Stock shall not be reported on such Tape or comparable reporting service, the average of the closing bid and asked prices as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors of the corporation for the purpose.

(v) The adjustments required by subparagraphs (5)(i), (5)(ii) and (5)(iii) shall be made whenever any of such events shall occur. No adjustment in the conversion rate shall be required, however, unless such adjustment would require an increase or decrease of at least 1% in such rate, provided, however, that any adjustments which by reason of this subparagraph (v) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this paragraph (f) shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

(vi) In case of any capital reorganization or any reclassification of the shares of Common Stock of the corporation (except as provided in subparagraph (i) above), the holder of any share of Series B Preferred Stock, upon conversion thereof, shall be entitled to receive, in lieu of the shares of Common Stock to which he would have become entitled upon conversion immediately prior to such capital reorganization or reclassification, the kind and amount of shares (of any class or classes) of stock and other securities and property to which a holder of such number of shares of Common Stock would have been entitled upon such capital reorganization or reclassification; and in such case, appropriate provision (as determined by the Board of Directors of the corporation, whose determination shall be conclusive) shall be made for the application of this paragraph (f) with respect to the rights and interests thereafter of the holders of Series B Preferred Stock, to the end that this paragraph (f) (including the adjustments of the conversion rate) shall be reflected thereafter as nearly as reasonably practicable, in all subsequent conversions of Series B Preferred Stock into any shares or securities or other property thereafter deliverable upon the conversion of Series B Preferred Stock.

(vii) Whenever the conversion rate is adjusted pursuant to any of the foregoing provisions of this paragraph (f),

(a) a certificate setting forth the adjusted conversion rate determined as provided in this paragraph (f) and in reasonable detail the facts requiring such adjustment shall forthwith be furnished to the Transfer Agents for the Series B Preferred Stock and the Transfer Agents for the Common Stock and to any stockholder requesting it and shall be made available for inspection by the stockholders, and

(b) the corporation shall cause a notice, stating that such an adjustment has been effected and setting forth the adjusted conversion rate, to be mailed to each holder of record of shares of Series B Preferred Stock at or prior to the time the corporation mails to its stockholders the quarterly dividend payment with respect to the quarterly period during which the facts requiring such adjustment occurred, but in any event within 60 days of the end of such quarter.

(viii) In case the corporation shall, while any shares of Series B Preferred Stock remain outstanding, enter into any consolidation with or merge with or into any other corporation, or sell its property as, or substantially as, an entirety, and in connection with such consolidation, merger or sale, shares or other securities shall be issuable or deliverable in exchange for shares of Common Stock, proper provision shall be made that, on the terms and conditions provided in this paragraph (f), the holder of any shares of Series B Preferred Stock may thereafter convert the same into the same kind and amount of securities as may be issuable by the terms of such consolidation, merger or sale with respect to the number of shares of Common Stock into which such shares of Series B Preferred Stock are convertible at the time of such consolidation, merger or sale. After any such consolidation, merger or sale, the right of conversion shall be to convert the Series B Preferred Stock into such securities as the same may from time to time be constituted.

(ix) In case the corporation proposes

(a) to pay any dividend payable in shares (of any class or classes) upon Common Stock or make any

distribution (other than ordinary cash dividends) to the holders of Common Stock; or

(b) to effect any capital reorganization or reclassification of the capital stock of the corporation; or

(c) to consolidate with, or merge into, any other corporation or to transfer its property as, or substantially, as an entirety; or

(d) to effect the liquidation, dissolution or winding up of the corporation,

then the corporation shall cause at least 30 days' prior notice to be mailed, first class postage prepaid, to each holder of record of Series B Preferred Stock of the date on which the transfer books of the corporation shall close or a record be taken for such stock dividend or distribution, or of the date when such capital reorganization, reclassification, consolidation, merger, transfer, liquidation, dissolution or winding up shall be effective, as the case may be.

(x) "Common Stock" when used in this paragraph (f) with reference to the Common Stock into which Series B Preferred Stock is convertible shall mean only Common Stock as authorized by the Certificate of Incorporation of the corporation, as amended to the date of this resolution, and any shares into which such Common Stock may thereafter have been changed, and, when otherwise used in this paragraph (f), shall include also shares of the corporation of any other class, whether now or hereafter authorized, which ranks or is entitled to a participation, as to assets or dividends, substantially on a parity with such Common Stock or other class of shares into which such Common Stock may have been changed.

(g) Voting Rights. Each holder of Series B Preferred Stock shall be entitled, except as otherwise provided below or by law or in the Certificate of Incorporation of the corporation, to one-half vote for each share held and, except as otherwise provided below or by law or in the Certificate of Incorporation of the corporation, the Series B Preferred Stock and the Common Stock of the corporation (and any other capital stock of the corporation at the time entitled to vote) shall vote together as a single class.

(i) If and whenever dividends on any series of the Preferred Stock shall be in arrears and the arrears shall aggregate an amount at least equal to six quarterly dividends upon the shares of such series, the holders of the Preferred Stock, voting separately as a class regardless of series, with each such holder entitled to one vote for each such share held, shall be entitled, at any annual meeting of stockholders or special meeting held in lieu thereof, or at a special meeting of the holders of the Preferred Stock called as hereinafter provided, to elect two directors. At any time while the holders of the Preferred Stock, voting as a class, are entitled to elect two directors as herein provided, they shall not be entitled to participate with the holders of the Common Stock in the election of any other directors. Whenever all arrears in dividends on such series of the Preferred Stock then outstanding shall have been paid and dividends thereon for the then current dividend period shall have been paid, or declared and a sum sufficient in payment thereof set apart, the right of the holders of the Preferred Stock to elect two directors shall cease, subject always to the same provisions for the vesting of such voting rights in the case of any similar future arrearages in dividends.

At any time after such voting power shall have been so vested in the holders of the Preferred Stock, the Secretary of the corporation may, and, upon the written request of the holders of record of 10% or more of the Preferred Stock then outstanding addressed to him at the principal office of the corporation in the United States shall, call a special meeting of the holders of the Preferred Stock for the election of the directors to be elected by them to be held within 30 days after such call and at the place and upon the notice provided by law and in the By-Laws for the holding of meetings of stockholders; provided, however, that the Secretary shall not be required to call such special meeting in the case of any such request received less than 90 days before the date fixed for any annual meeting of stockholders. If any such special meeting required to be called as provided shall not be called by the Secretary within the 30 days after the receipt of any such request, then the holders of

record of 10% or more of the Preferred Stock then outstanding may designate in writing one of their number to call such meeting, and the person so designated may call such meeting to be held at the place and upon the notice above provided and for that purpose shall have access to the stock ledger of the corporation. No such special meeting and no adjournment thereof shall be held on a date later than 30 days before the annual meeting of the stockholders or special meeting held in lieu thereof next succeeding the time when the holders of the Preferred Stock become entitled to elect directors as above provided. If any such special meeting shall be called as above provided, then by vote of the holders of at least a majority of the shares of the Preferred Stock which are present or represented by proxy at such meeting, the then authorized number of directors of the corporation shall be increased by two, and at such meeting the holders of the Preferred Stock shall be entitled to elect the additional directors so provided for, but any directors so elected shall not hold office beyond the annual meeting of the stockholders or special meeting held in lieu thereof next succeeding the time when the holders of the Preferred Stock become entitled to elect directors as above provided. Whenever the holders of the Preferred Stock shall be divested of the voting power as above provided, the terms of office of all persons selected as directors by the holders of the Preferred Stock as a class shall forthwith terminate and the number of the Board of Directors shall be reduced accordingly.

(ii) So long as any of the Preferred Stock is outstanding, the corporation will not, without the affirmative vote or consent of the holders of at least a majority of all the Preferred Stock at the time outstanding, given in person or by proxy, either in writing or by resolution adopted at a meeting called for the purpose, at which the holders of the Preferred Stock, regardless of series, shall vote separately as a class, with each holder of Preferred Stock entitled to one vote for each such share so held, regardless of series, create any other class or classes of stock ranking on a parity with the Preferred Stock either as to dividends or liquidation, or increase the authorized number of shares of the Preferred Stock or of any such other class of stock.

(h) Other Rights. The holders of Series B Preferred Stock shall not have any other preferences or special rights.

FURTHER RESOLVED, that shares of Series B Preferred Stock not issued upon the consummation of the transactions contemplated by the Agreement and Plan of Merger, as amended, among The Bendix Corporation, BX Acquisition Co., Inc. and The Warner & Swasey Company dated as of December 11, 1979, and shares of Series B Preferred Stock which have been issued and reacquired through redemption or purchase or converted into shares of another class or classes of stock of the corporation ranking junior to the Preferred Stock, upon compliance with any applicable provisions of the General Corporation Law of the State of Delaware, shall have the status of authorized and unissued shares of Preferred Stock and may be reissued as part of the series of Series A or Series B Preferred Stock or as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors.

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