

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

October 10, 1939.

We, the undersigned officers of  
ASHAWAY LINE & TWINE MANUFACTURING COMPANY  
a corporation duly incorporated under the laws of the State  
of Rhode Island, HEREBY CERTIFY that at a meeting of the  
stockholders of said corporation, duly called for the pur-  
pose, and held in the Town of Hopkinton in said State, on  
the 10th day of October, A. D. 1939, the following amendment  
to the Charter was duly adopted by an affirmative vote of  
the following proportion of the stockholders of said cor-  
poration, viz:-

98% (Ninety-eight per cent)

which said vote amends the following Section to read as follows,  
viz:-

"Sec. 2. The total amount of authorized capital  
stock of said corporation with par value shall be  
\$400,000, as follows, namely: Common stock in the  
amount of \$200,000 to be divided into 2,000 shares of  
the par value of \$100 each; and Preferred stock in the  
amount of \$200,000 to be divided into 2,000 shares of  
the par value of \$100 each.

"The rights and preferences and the limitations  
upon the preferred stock shall be as follows:-

"(1) Out of the net profits and surplus of the  
corporation the holders of record of the preferred  
stock shall be entitled, when and as declared by the  
Board of Directors, to quarterly cumulative preferential  
dividends from the quarterly dividend day next preceding  
the day of issue thereof, or from such day of issue  
if it be a quarterly dividend date, at the rate of 7%  
per annum and no more, payable on the first days of  
January, April, July and October in each year, so that  
if on any dividend date a dividend of 1 3/4% shall not be  
paid on the preferred stock the deficiency shall be

payable subsequently, but without interest, before any dividend shall be declared or paid upon or set apart for any junior stock. The first dividend, however, to be payable on said preferred stock shall be that payable on January 1, 1940 and on that date a dividend of \$1.75 per share shall be payable on all said preferred stock theretofore issued.

"(2) Junior stock for all purposes of the charter of this corporation shall mean and include the common stock of the corporation and each other class of stock of the corporation, if any, except said preferred stock.

"(3) On December 2, 1939, the corporation shall deposit in Washington Trust Company, a Rhode Island banking corporation with its principal office located in the Town of Westerly in said State, an amount of money equal to 14% of the par value of the preferred stock then outstanding for the purposes herein stated. Money so on deposit shall be known as the guarantee fund for the preferred stock of the corporation.

"If the guarantee fund shall at any time be reduced to an amount less than 14% of the par value of the preferred stock then outstanding, thereafter during each calendar year, after full cumulative dividends on the preferred stock have been paid or declared and set aside for payment, the corporation shall deposit in said guarantee fund an amount of money at least equal to 3 1/4% of the par value of the preferred stock then outstanding. Such deposits shall continue until the guarantee fund shall be at least equal to 14% of the par value of said preferred stock then outstanding. Said guarantee fund shall be held for the purpose of paying dividends on said preferred stock, as herein provided, and upon the dissolution of the corporation shall be applied to the payment to the holders of said preferred stock pro rata of such sums as they may be entitled to receive as herein provided.

"(4) After full cumulative dividends on the preferred stock shall have been paid or declared and set aside for payment, together with the quarterly dividends on the preferred stock for the current dividend period, and as long as the corporation has on deposit in the guarantee fund a sum at least equal to 14% of the par value of the preferred stock then outstanding, then and not otherwise, out of the net profits and surplus of the corporation remaining dividends may be declared on any junior stock.

"No junior stock shall be purchased or retired so as to reduce the net assets of the corporation below 175% of the aggregate par value of the preferred stock then outstanding.

"Net assets for the purposes hereof shall be

ascertained at the end of each calendar year and the propriety of any purchase under these provisions shall be determined on the basis of the net assets as of the end of the calendar year next preceding the date of the purchase of the junior stock.

"Net assets shall consist of the excess of (a) the investment in plant and equipment, including land and buildings, (b) cash on hand and in bank, including certificates of deposit and cash in guarantee fund, (c) prepaid interest, rentals, insurance, taxes and other similar prepayments, (d) good and collectible accounts and notes receivable, trade acceptances, interest due or accrued, and rents, (e) accounts and notes receivable and trade acceptances good and collectible only in part at their fair value, (f) United States, state and municipal bonds and notes and United States certificates of indebtedness and other United States obligations and securities listed on the New York Stock Exchange, taken at their cost or their market value, whichever is less, (g) raw materials, supplies and stock manufactured and in process, either on hand or contracted and paid for, taken at cost or market value, whichever is less, but if unmarketable as manufactured commodities, to be included only to the extent of their then market value as raw materials, (h) all other assets of the corporation except trademarks, trade names, good-will and similar assets, provided, however, that patents, trademarks and trade names hereafter acquired by purchase shall be included in net assets, but only to the extent of the cost or fair value thereof, whichever is less, over all (a) indebtedness, including purchase money mortgages, bonds and debentures, (b) a proper proportion of current accruing dividends, interest, taxes (including all federal income and profits taxes), rentals and similar charges, (c) salaries, commissions and bonuses voted or contracted for and due or accrued, though the time of payment thereof be postponed, but unpaid, (d) all reserves actually carried on the books of the corporation for depreciation, obsolescence and amortization.

"If in any year the net profits of the corporation are insufficient to pay full cumulative dividends on the preferred stock, the corporation shall withdraw from the guarantee fund a sum which, when added to the net profits, shall be sufficient to pay full cumulative dividends on the preferred stock.

"(5) Upon the dissolution or liquidation of the corporation, or in the event of the sale of all or substantially all of its assets, there shall be first paid to the holders of the preferred stock then outstanding the amount hereinafter stated plus the amount of all unpaid accrued and accruing dividends thereon before any payment shall be made upon the junior stock, and the remaining assets shall be distributed among the holders of the junior stock only. If the dissolution, liquidation or sale is voluntary, the amount to be paid shall be 110% of the par value of the preferred stock, and if involuntary, said amount shall be 100% of the par value of the preferred stock. A consolidation or merger with any other

corporation shall entitle the holders of preferred stock to the preferential payments above set forth, as in the case of dissolution, liquidation or sale.

"(6) On or after January 1, 1950, by vote of the Board of Directors or of the majority of the common stock at a meeting called for the purpose, all or any part of the preferred stock at the time outstanding may be called for purchase by the corporation on any dividend day at \$110 per share plus all accrued dividends and dividends accruing on the dividend day for which the call is made. No call of part only of the preferred stock shall be made if at the time any dividends on the preferred stock are accumulated and unpaid. In case of such call of part of the preferred stock, an equal percentage of shares of preferred stock of each stockholder of record shall be called for redemption, provided, however, that if such call shall result in the call of a fractional share of a stockholder, a full share shall be called in lieu of said fractional share. Notice of any call of preferred stock shall be mailed not less than twenty-five days prior to the dividend day for which the call is made by registered mail, postage prepaid, to each holder of preferred stock so called, at his address registered in the books of the corporation. In case of any call the corporation shall immediately deposit in some bank in the State of Rhode Island the funds necessary to pay for all the preferred stock called, together with dividends accruing on the dividend date for which the call is made and all accumulated dividends, if any. Notice having been so given and the funds therefor having been so deposited, all stock so called shall be deemed to have been transferred to the corporation and all rights to dividends and other rights and privileges in respect thereof shall thereupon cease unless default be made in the payment of the redemption price in pursuance of such notice.

"(7) Dividends and payments on call and in liquidation on the preferred stock are payable in coin or currency of the United States of America, which at the time of payment is legal tender for public and private debts.

"(8) The stockholders shall not be entitled as of right to subscribe for, purchase or receive any part of any authorized but unissued stock or of any new or additional issue of stock, whether stock hereby authorized or otherwise. The Board of Directors may from time to time determine who shall have rights to subscribe for any new capital stock issue by the corporation and the nature and extent of such rights and how the same may be exercised. The Board of Directors may from time to time determine the consideration, consisting of cash, services, personal property, tangible or intangible, or real estate for which stock of this corporation, whether of par value or without par value, may be issued.

"(9) While any preferred stock remains outstanding the corporation shall not do any of the following things without either (A) the consent in writing or (B) the authorizing vote at a stockholders' meeting called for the

purpose, of the holders of two-thirds of the preferred stock then outstanding; (a) dispose by sale, exchange, consolidation, merger or otherwise, of all or the major part of its property or business, (b) lease all or a major part of its property or business, (c) create any mortgage, pledge or other lien of or upon any of its property other than its quick assets, (d) create or issue any shares of stock having priority over or on a parity with the preferred stock.

"(10) The holders of common stock shall have exclusive right to vote upon all matters unless the corporation fails to pay a dividend on the preferred stock on any quarterly dividend date, in which event the holders of preferred stock shall vote equally with the holders of common stock until all accumulated and unpaid dividends on the preferred stock have been paid in full, at which time the exclusive right to vote shall revert in the common stock. Stockholders entitled to vote shall have one vote for each share of stock upon which they are entitled to vote.

"(11) The provisions of the foregoing articles (1) to (10), inclusive, may be altered, amended or repealed, or the operation or application thereof suspended in any particular case, and changes in the limitations, preferences and rights of the preferred stock, and changes in the limitations, preferences and rights of the common stock, so far as they affect the limitations, preferences and rights of the preferred stock, may be made by, and only by, the vote at a meeting called for the purpose of the holders of at least 75% of the preferred stock then outstanding, and such vote as is required by law of the common stock and of each other class of stock then outstanding and entitled to vote. Provided, however, that the preferred stock in any event shall continue to be entitled to cumulative preferential dividends at the rate of 7% per annum as aforesaid, and to payment in case of call or dissolution, liquidation, sale, merger or consolidation upon the terms aforesaid."

ATTEST:

A. J. Randall  
President (or Vice President)

J. T. Randall  
Secretary (or Assistant Secretary)

STATE OF RHODE ISLAND  
COUNTY OF Washington

In the County of Washington  
on this 10th day of October

A.D. 1939, subscribed and sworn to before  
me.

Mary E. Lewis  
Notary Public

BUSINESS

ORIGINAL

CERTIFICATE OF AMENDMENT  
OF CHARTER OF

*and*  
ASHAWAY LINE & TWINE  
MANUFACTURING COMPANY

Duly Incorporated Under the  
Laws of the State of Rhode  
Island

Filed in the Office of the  
Secretary of State

Oct 19 1939

IRA LLOYD LETTS  
ANDREW P. QUINN  
32 CUSTOM HOUSE STREET  
PROVIDENCE, R. I.