

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**
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FILER

TECUMSEH PRODUCTS CO

CIK: **96831** | IRS No.: **381093240** | State of Incorp.: **MI** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-00452** | Film No.: **94527930**
SIC: **3585** Air-cond & warm air heatg equip & comm & indl refrig equip

Mailing Address
100 EAST PATTERSON
STREET
TECUMSEH MI 49286

Business Address
100 E PATTERSON ST
TECUMSEH MI 49286
5174238411

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT of 1934
For the quarterly period ended March 31, 1994

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT of 1934
For the transition period from _____ to _____

COMMISSION FILE NUMBER: 0-452

TECUMSEH PRODUCTS COMPANY
(Exact name of registrant as specified in its charter)

MICHIGAN
(State of Incorporation)

38-1093240
(IRS Employer Identification Number)

100 EAST PATTERSON STREET
TECUMSEH, MICHIGAN 49286
(Address of Principal Executive Offices)

Telephone Number: (517) 423-8411

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<TABLE>

<S>	<C>
Class of Stock	Outstanding at April 30, 1994
-----	-----
Class B Common Stock, \$1.00 par value	5,470,146
Class A Common Stock, \$1.00 par value	16,410,438

</TABLE>

TECUMSEH PRODUCTS COMPANY AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION - Item 1
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited and subject to year end adjustments)
(Dollars in millions)

<TABLE>

<CAPTION>

	March 31, 1994	December 31 1993
<S>	<C>	<C>
-----	-----	-----
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	\$294.1	\$313.2
Accounts receivable, trade, less allowance for doubtful		

accounts of \$5.5 million in 1994 and \$5.3 million in 1993	229.8	158.0
Inventories	177.1	174.9
Deferred income taxes	27.0	30.1
Other current assets	6.4	7.3
	-----	-----
TOTAL CURRENT ASSETS	734.4	683.5
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation of \$350.6 million in 1994 and \$333.1 million in 1993	340.7	320.4
EXCESS OF COST OVER ACQUIRED NET ASSETS	56.2	54.5
DEFERRED INCOME TAXES	30.8	29.0
OTHER ASSETS	46.2	45.3
	-----	-----
TOTAL ASSETS	\$1,208.3	\$1,132.7
	-----	-----
Liabilities and Stockholders' Equity		
CURRENT LIABILITIES:		
Accounts payable, trade	\$110.1	\$88.1
Income taxes payable	21.7	9.9
Short-term borrowings	13.7	14.0
Accrued liabilities	107.2	97.9
	-----	-----
TOTAL CURRENT LIABILITIES	252.7	209.9
PRODUCT WARRANTY AND SELF-INSURED RISKS	26.3	26.3
LONG-TERM DEBT	11.5	11.2
PENSION LIABILITIES	12.4	11.8
NON-PENSION POSTRETIREMENT BENEFITS	164.5	161.3
ACCRUAL FOR ENVIRONMENTAL MATTERS	25.3	25.4
	-----	-----
TOTAL LIABILITIES	492.7	445.9
	-----	-----
STOCKHOLDERS' EQUITY:		
Class A common stock, \$1 par value; authorized 25,000,000 shares; issued and outstanding 16,410,438 shares	16.4	16.4
Class B common stock, \$1 par value; authorized 25,000,000 shares; issued and outstanding 5,470,146 shares	5.5	5.5
Capital in excess of par value	29.9	29.9
Retained earnings	657.8	633.2
Foreign currency translation adjustment	6.0	1.8
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	715.6	686.8
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$1,208.3	\$1,132.7
	-----	-----

</TABLE>

The accompanying notes are an integral part of these statements.

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TECUMSEH PRODUCTS COMPANY AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION - Item 1
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited and subject to year end adjustments)
(Dollars in millions except per share amounts)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
INCOME:		
Net sales	\$386.4	\$341.6
Interest income	5.9	4.0
Other income	1.5	0.5
	-----	-----
	393.8	346.1
	-----	-----
EXPENSES:		
Cost of sales and operating expenses	323.6	294.9
Selling and administrative expenses	21.0	19.8
Interest expense	1.2	0.8
Other expenses	1.7	1.4
	-----	-----
	347.5	316.9
	-----	-----
INCOME BEFORE TAXES	46.3	29.2
Taxes on income	17.3	11.3
	-----	-----
NET INCOME	\$29.0	\$17.9
	-----	-----
	-----	-----
NET INCOME PER SHARE	\$1.32	\$0.82
	-----	-----
	-----	-----
CASH DIVIDENDS DECLARED PER SHARE	\$0.20	\$0.20
	-----	-----
	-----	-----

</TABLE>

The accompanying notes are an integral part of these statements.

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TECUMSEH PRODUCTS COMPANY AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION - Item 1
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited and subject to year end adjustments)
(Dollars in millions)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$29.0	\$17.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13.9	13.6

Accounts receivable	(69.2)	(50.3)
Inventories	(1.2)	2.9
Payables and accrued expenses	39.7	23.0
Other	2.5	(0.3)
	-----	-----
CASH PROVIDED BY OPERATIONS	14.7	6.8
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(31.8)	(15.9)
	-----	-----
CASH USED IN INVESTING ACTIVITIES	(31.8)	(15.9)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(4.4)	(4.4)
Decrease in borrowings, net	(1.3)	(0.4)
	-----	-----
CASH USED IN FINANCING ACTIVITIES	(5.7)	(4.8)
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES ON CASH	3.7	0.7
	-----	-----
DECREASE IN CASH AND CASH EQUIVALENTS	(19.1)	(13.2)
	-----	-----
CASH AND CASH EQUIVALENTS:		
BEGINNING OF PERIOD	313.2	263.6
	-----	-----
END OF PERIOD	\$294.1	\$250.4
	-----	-----
	-----	-----

</TABLE>

The accompanying notes are an integral part of these statements.

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TECUMSEH PRODUCTS COMPANY AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION - ITEM 1

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. The condensed consolidated financial statements are unaudited and reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods. The December 31, 1993 condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report for the fiscal year ended December 31, 1993. Due to the seasonal nature of the Company's business, the results of operations for the interim period are not necessarily indicative of the results for the entire fiscal year.

The financial data required in this Form 10-Q by Rule 10.01 of Regulation S-X have been reviewed by Moore, Smith & Dale, the Company's independent certified public accountants, as described in their report contained elsewhere herein.

2. Inventories consisted of:

<TABLE>
<CAPTION>

(Dollars in Millions)	March 31, 1994	December 31, 1993
	-----	-----

<S>	<C>	<C>
Raw material and work in process	\$ 108.3	\$107.2
Finished goods	57.2	56.2
Supplies	11.6	11.5
	-----	-----
	\$177.1	\$174.9
	-----	-----
	-----	-----

</TABLE>

3. Stockholders of record on June 8, 1993 received one share of Class A common stock for each share of Class A or Class B common stock in the form of a stock dividend paid on June 30, 1993. Accordingly, all stock accounts and per share amounts shown in the accompanying financial statements have been adjusted to give effect to the stock dividend. On April 27, 1994 the authorized number of shares of common stock increased to 100,000,000 shares consisting of 75,000,000 shares of Class A common stock and 25,000,000 shares of Class B common stock. See Changes in Securities in Part II. Item 2 of this report.

4. The Company has been named by the U.S. Environmental Protection Agency (EPA) as a potentially responsible party in connection with the Sheboygan River and Harbor Superfund Site in Wisconsin. At March 31, 1994, the Company had an accrual of \$25.9 million for the estimated costs associated with the cleanup of certain PCB contamination at this Superfund Site. The Company has based the estimated cost of cleanup on ongoing engineering studies, including engineering samples taken in the Sheboygan River, and assumptions as to the areas that will

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have to be remediated along with the nature and extent of the remediation that will be required. Significant assumptions underlying the estimated costs are that remediation will involve innovative technologies, including (but not limited to) bioremediation near the Company's plant site and along the Upper River, and only natural armoring and bioremediation in the Lower River and Harbor. The Company has been informed by the EPA that it expects to issue a record of decision on the cleanup of the Sheboygan River and Harbor site by the end of 1994, but the ultimate resolution of the matter may take much longer. Ultimate costs to the Company will be dependent upon factors beyond its control such as the scope and methodology of the remedial action requirements to be established by the EPA (in consultation with the State of Wisconsin), rapidly changing technology, and the outcome of any related litigation.

In addition to the Sheboygan River and Harbor Superfund Site, the Company also is currently participating with the EPA and various state agencies at certain other sites to determine the nature and extent of any remedial action which may be necessary with regard to such other sites. Based on limited preliminary data and other information currently available, the Company has no reason to believe that the level of expenditures for potential remedial action necessary at these other sites will have a material effect on its future financial position.

5. Various lawsuits and claims, including those involving ordinary routine litigation incidental to its business, to which the Company is a party, are pending, or have been asserted, against the Company. Although the outcome of these matters cannot be predicted with certainty, and some may be disposed of unfavorably to the Company, management has no reason to believe that their disposition will have a materially adverse effect on the consolidated financial position or income from continuing operations of the Company.

6. Certain amounts previously reported have been reclassified to conform with the current presentation.

INDEPENDENT ACCOUNTANTS' REPORT

Tecumseh Products Company
Tecumseh, Michigan

We have reviewed the consolidated condensed balance sheet of Tecumseh Products Company and subsidiaries as of March 31, 1994 and the related consolidated condensed statements of income and cash flows for the three months ended March 31, 1994 and 1993. These financial statements are the responsibility of the Company's management.

We have conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated condensed financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1993, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 17, 1994 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated condensed balance sheet as of December 31, 1993, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

\s\ MOORE, SMITH, & DALE

CERTIFIED PUBLIC ACCOUNTANTS

Southfield, Michigan

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TECUMSEH PRODUCTS COMPANY AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION -- ITEM 2
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Consolidated earnings of \$29.0 million, or \$1.32 per share, for the first quarter of 1994 were higher than any quarter in Company history. First quarter sales of \$386.4 million were 13% higher than sales for the same period in 1993. The favorable operating results were due primarily to very strong sales of the Company's Engine and Power Train Products, both in North America and in Europe.

The following table presents results by business segments:

<TABLE>
<CAPTION>
(Dollars in millions)

	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
NET SALES:		

Compressor Products	\$219.4	\$210.5
Engine and Power Train Products	137.7	106.7
Pump Products	29.3	24.4
	-----	-----
	\$386.4	\$341.6
	-----	-----
<S>	<C>	<C>
INCOME BEFORE INCOME TAX:		
Compressor Products	\$ 21.4	\$ 18.3
Engine and Power Train Products	18.8	7.2
Pump Products	5.1	4.0
Corporate Expenses	(2.6)	(2.0)
Non-operating Items	3.6	1.7
	-----	-----
	\$ 46.3	\$ 29.2
	-----	-----

</TABLE>

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Compressor Products

The Company's worldwide Compressor Products sales for the first quarter of 1994 were \$219.4 million and were 4% higher than the same period in 1993. This gain was due to higher sales in North and South America, offset to a considerable extent by lower sales in Europe and certain markets in Asia.

The Company's Brazilian subsidiary, SICOM Ltda. ("SICOM"), has taken advantage of the growth opportunities in Brazil and other countries in South America, and improved sales by 33% in 1994 compared to the first quarter of 1993. Demand for consumer durables remains strong in Brazil, despite uncertainties relating to the implementation of a new economic program and a presidential election later this year. Inflation continues at 40% per month as of April 1994, and it is too early to gauge whether the new economic program will effectively stabilize the economy. SICOM accounted for 9% of consolidated net sales for the first quarter of 1994 (compared to 8% in the first quarter of 1993) and 22% of consolidated net income in the first quarter of 1994 and 1993.

Sales of the Company's compressors in the United States in the first quarter of 1994 increased by 19% compared to the same period in 1993. A significant portion of this increase occurred in the commercial refrigeration market, where the Company has gained business with its offering of compressors and condensing units that utilize R-134a, a non-CFC refrigerant. Additionally, Tecumseh sales of room air conditioning compressors improved as the industry began to replenish inventories depleted by last summer's hot weather in key regions of the United States. Such a favorable sales comparison is unlikely to continue for the balance of 1994 as gains in the commercial refrigeration and room air conditioning markets are expected to be offset by reductions in the unitary air conditioning market, as a result of the industry trend toward the use of scroll compressors rather than reciprocating compressors. The Company is not currently producing scroll compressors in commercial quantities, but is expanding its manufacturing facilities in Tecumseh and expects to be in limited production of scroll compressors by the end of 1994.

The Company's exports of U.S. compressors in the first quarter of 1994 were 17% below the year earlier period, primarily due to a decrease in sales to China, which has been affected by limited availability of foreign exchange and high rotary compressor inventories. Sales for Tecumseh's European compressor operations, L'Unite Hermetique S.A., were down 11% in the first quarter of 1994. However, the aggressive cost-cutting plan implemented in 1993 enabled L'Unite Hermetique to generate a small operating profit in 1994 after incurring losses in 1993.

Engine and Power Train Products

Worldwide Engine and Power Train Products sales were \$137.7 million in the first quarter of 1994, a 29% increase over the same period in 1993. These gains were primarily due to improvement in shipments of engines for walk-behind lawn mowers and outdoor chore products such as tillers. The outdoor power equipment industry predicts a 4-5% increase in equipment sales for the current season but sales of engines to the OEMs have been running at a much higher rate thus far. The Company's sales of engines in Europe by its Italian subsidiary have also been strong, particularly to Italian OEMs which have benefited from the depreciation of the lira over the past eighteen months.

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The operating profit margins in this segment improved from 6.7% for the first quarter of 1993 to 13.7% for 1994, due principally to the favorable effect of the significantly higher sales volume of the Company's U.S. and Italian engine operations. Additionally, the Company's 1993 results were affected by start-up costs after the transfer of power train manufacturing to its facility in Salem, Indiana.

Pump Products

- - - - -
The Company's Pump Products sales for the first quarter of 1994 were 20% higher than the same period in 1993. Sump pump sales were strong due to the flooding on the east coast and the Company increased sales of water gardening pump products aimed at the consumer marketplace.

Interest Income

- - - - -
Interest income for the first quarter of 1994 was up from the same period in 1993 due primarily to SICOM's higher financial income as a result of higher real interest rates. Real interest rates in Brazil were lowered late in 1992 and early 1993 in an attempt to boost consumer spending. In late 1993 and early 1994, the Brazilian Central Bank has increased interest rates to avoid capital outflow and allow for a smooth conversion to a new currency.

Income Taxes

- - - - -
The effective income tax rate was 37% for the first quarter of 1994 as compared to 39% for the first quarter of 1993. The decrease was primarily due to the Italian subsidiary's improved profitability in the first quarter of 1994 which allowed it to take greater advantage of net operating loss carryforwards to offset taxable earnings.

LIQUIDITY, CAPITAL RESOURCES

The Company continued to maintain a strong and liquid financial position. Working capital of \$481.7 million at March 31, 1994 was up from \$473.6 million at December 31, 1993, and the ratio of current assets to current liabilities exceeded 2.9. The Company expects that capital spending for 1994 will be over three times higher than the previous year as it funds a scroll compressor manufacturing facility along with the purchase (and retooling) of rotary compressor manufacturing equipment. Working capital requirements and planned capital expenditures for 1994 and early 1995 are expected to be financed primarily through internally available funds, although the Company may utilize long-term financing arrangements in connection with various state investment incentives.

On May 4, 1994 the Environmental Protection Agency (EPA) announced the first phase of proposed federal standards designed to reduce the emission of hydrocarbons and oxides of nitrogen from utility engines which include some of the two- and four-cycle engine products manufactured by the Company. The text of the proposed standards is expected to be released shortly. Public hearings are scheduled for June of 1994 and the rule is expected to be finalized in the first quarter of 1995 with nationwide imple-

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mentation effective August 1, 1996. The Company believes the proposed regulations will be similar to California emission standards which are scheduled to go into effect January 1, 1995. The Company's engine products, as presently designed and manufactured, do not meet the 1995 California standards; however, engineering efforts have resulted in select engine certification to California requirements, and an adequate, but limited, cross section of the Company's current four-cycle products will be modified to meet the California standards. The Company believes the nationwide implementation date of August 1,

1996 is aggressive, but continuing design and other efforts will be expended to meet these proposed 1996 emission standards. Based on the limited information currently available, the Company believes that it will be prepared to meet the 1996 federal standards as proposed with competitively priced product.

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TECUMSEH PRODUCTS COMPANY AND SUBSIDIARIES

PART II. OTHER INFORMATION

Item 2. Changes in Securities

On April 27, 1994 the Company's Articles of Incorporation were amended to increase the authorized capital stock from 50,000,000 shares consisting of 25,000,000 shares of Class A Common Stock, \$1 par value and 25,000,000 shares of Class B Common Stock, \$1 par value to 100,000,000 shares consisting of 75,000,000 shares of Class A Common Stock and 25,000,000 shares of Class B Common Stock. The amendment was duly adopted by a majority vote of both Class A and Class B shareholders at the Annual Meeting of Shareholders of Tecumseh Products Company.

Item 6. Exhibits and Reports on Form 8-K

- (a) The exhibits to this report are listed in the Exhibits Index contained elsewhere herein.
- (b) The Company did not file any reports on Form 8-K during the three months ended March 31, 1994.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized:

TECUMSEH PRODUCTS COMPANY

(Registrant)

Dated May 13, 1994

By /s/John H. Foss

John H. Foss
Vice President, Treasurer
and Chief Financial Officer

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TECUMSEH PRODUCTS COMPANY AND SUBSIDIARIES

PART II. OTHER INFORMATION

EXHIBITS INDEX

EXHIBIT NUMBER	DOCUMENT DESCRIPTION
(4) (a)	Registrant's Restated Articles of Incorporation prior to adoption of amendment to reclassify its common stock ("Reclassification Amendment") and amendment to increase the number of authorized shares of common stock ("Revised Authorized Shares Amendment")
(4) (b)	Certificate of Amendment to registrant's Restated Articles of Incorporation (adopted April 22, 1992) setting forth the Reclassification Amendment
(4) (c)	Certificate of Amendment to registrant's Restated Articles of

Incorporation (adopted April 27, 1994) setting forth the
Revised Authorized Shares Amendment

EXHIBIT (4) (a)

RESTATED ARTICLES OF INCORPORATION

OF

TECUMSEH PRODUCTS COMPANY

Pursuant to the provisions of Act 284, Public Acts of 1972, as amended, the undersigned corporation executes the following Articles:

1. The present name of the corporation is: Tecumseh Products Company.
2. The corporation identification number (CID) assigned by the Bureau is: 096-612.
3. All former names of the corporation are:
Hillsdale Machine and Tool Company, Inc.
4. The date of filing the original Articles of Incorporation was: March 26, 1930.

The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and shall be the Articles of Incorporation for the corporation:

ARTICLE I

The name of the corporation is Tecumseh Products Company.

ARTICLE II

The purpose or purposes for which the corporation is formed are as follows:

To design, build, manufacture, produce, purchase or otherwise acquire, to sell or otherwise dispose of, to lease, license, import, export, distribute and/or otherwise deal in and with, whether as principal, agent or otherwise (i) instruments, devices, contrivances, equipment, apparatus, materials and/or things, of every conceivable kind and character whatsoever, which are, or may be, used, or which are, or may be, useful, in any manner or to any extent for, in, or in connection with, the heating, cooling, refrigerating, air-conditioning, ventilation of, and/or in raising, lowering, maintaining, changing, regulating, controlling or otherwise affecting the temperature or humidity of, any person, place, object or thing, of any conceivable kind and character whatsoever and/or (ii) raw materials, semi-finished or finished parts or products, accessories, devices, contrivances, equipment and/or things, of every conceivable kind or character whatsoever, which are or may be used, or which are or may be useful, in any manner or to any extent whatsoever, for, in, or in connection with, any instrument, device, contrivance, equipment, apparatus, material or thing mentioned or described in Item (i) of this paragraph.

To design, build, manufacture, produce, purchase or otherwise acquire, to sell or otherwise dispose of, to lease, license, import, export, distribute and/or otherwise deal in and with, whether as principal, agent or otherwise (i) instruments, devices, contrivances, equipment, apparatus, materials, and/or things, of every conceivable kind and character whatsoever, which are or may be used, or are or may be useful in any manner or to any extent, for, in or in connection with, the measurement, control or regulation of, or which may otherwise affect, the transmission, flow, movement, production, generation, use or application of light, heat, cold, humidity, materials, gases, liquids, services, energy, power or matter, of every conceivable kind or character whatsoever, and/or (ii) raw materials, finished or semi-finished parts and products, accessories, devices, contrivances, equipment and/or things, of every conceivable kind and character whatsoever, which are or may be useful, in any manner or to any extent whatsoever for, in, or in connection with, any instrument, device, contrivance, equipment, apparatus, material or thing mentioned or described in Item (i) of this paragraph.

To design, build, manufacture, produce, purchase or otherwise acquire, to sell or otherwise dispose of, to lease, license, import, export, distribute and/or otherwise deal in and with, whether as principal, agent or otherwise (i) pumps, engines, machines, compressors, storage batteries, storage tanks, motors, instruments, devices, contrivances, apparatus, materials, services and/or things, of every conceivable kind and character whatsoever, which are or may be used, or are or may be useful, in any manner or to any extent, (A) for, or in connection with, the manufacture, production, generation, distribution, use, supply, transmission, flow, movement or application of gas, electricity, compressed air, oil, gasoline, chemicals, power, energy or other substances, liquids or matter, of every conceivable kind and character whatsoever, and/or (B) for, or in connection with, any conceivable application and/or in any conceivable way, method or manner and/or for the attainment or accomplishment of any conceivable object or purpose whatsoever, either singly or in any combination thereof and/or (ii) raw materials, semi-finished or finished parts or products, accessories, devices, contrivances, equipment and/or things, of every conceivable kind or character whatsoever, which are or may be used, or which are or may be useful in any manner or to any extent whatsoever for, in, or in connection with, any pumps, engines, machines, compressors, storage batteries, storage tanks, motors, instruments, devices, contrivances, apparatus, materials, services and/or things mentioned or described in Item (i) of this paragraph.

To design, build, manufacture, produce, purchase or otherwise acquire, to sell or otherwise dispose of, to lease, license, import, export, distribute and/or otherwise deal in and with, whether as principal, agent or otherwise, machines, motors, engines, instruments, devices, contrivances, apparatus, equipment, goods, wares, merchandise, materials, commodities and/or articles of commerce, of every conceivable kind and character whatsoever, and to engage in, carry on and conduct, in any and/or all of its branches, aspects and details, the business of manufacturing, trading and selling.

To do each and every act and thing and to engage in each and every business not forbidden by the laws of the State of Michigan which is, or may be or become necessary, proper or convenient to carry out and accomplish any or all of the foregoing objects and purposes and with all of the powers conferred upon corporations by the laws of the State of Michigan.

ARTICLE III

The address and mailing address of the registered office is:

Ottawa & Patterson Streets
Tecumseh, Michigan 49286

The name of the resident agent at the registered office is Todd W. Herrick.

ARTICLE IV

The total authorized capital stock is 50,000,000 shares of Common Stock, \$1.00 par value. A statement of all or any of the relative rights, preferences and limitations of shares of each class is as follows:

The corporation has only one class of stock, viz, Common Stock, \$1.00 par value, which has full voting rights and powers, and all other rights and powers, and no qualifications, limitations and restrictions, except to the extent otherwise expressly and specifically provided in the paragraph of this Article IV of the Articles of Incorporation of the corporation next succeeding this one.

No holders of any shares of the capital stock of the corporation shall be entitled as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of shares of the capital stock of the corporation of any kind or class whatsoever, or of any stock or other securities convertible into any shares of capital stock of any kind or class whatsoever, whether now or hereafter authorized, and whether issued for cash or any other consideration, or by way of dividend or other distribution, and the corporation may issue shares of capital stock, shares of capital stock or other securities convertible into shares of capital stock, warrants, option rights or shares of capital stock or other securities possessing option rights to purchase shares of capital stock, without first offering the same or any of the same to the holders of shares of capital stock of any kind or class, in such manner, upon such terms and conditions, for such consideration and to such persons, natural or corporate, as the Board of Directors of the corporation shall from time to time determine and decide.

ARTICLE V

The corporation shall have perpetual existence.

ARTICLE VI

SECTION 1. Limitation of Liability. A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. However, this provision does not eliminate or limit the liability of a director for any of the following:

- (a) any breach of the director's duty of loyalty to the corporation or its shareholders;
- (b) acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law;
- (c) a violation of Section 551(1) of the Michigan Business Corporation Act, as amended (the "Act");
- (d) a transaction from which the director derived an improper personal benefit; or
- (e) an act or omission occurring before the date that the amendment to the Articles of Incorporation adding this Article VI becomes effective in accordance with the pertinent provisions of the Act.

Any repeal, amendment or other modification of this Article VI shall not increase the liability or alleged liability of any director of the corporation then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

SECTION 2. Indemnification.

2.1- Indemnification of Directors, Officers and Employees: Claims by Third Parties. The corporation shall, to the fullest extent authorized or permitted by the Act or other applicable law, as the same presently exist or may hereafter be amended, but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification rights than before such amendment, indemnify a director, officer or employee (an "Indemnitee") who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the corporation, by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise,

whether for profit or not, against expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid

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in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to a criminal action or proceeding, if the Indemnitee had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

2.2- Indemnification of Directors, Officers and Employees: Claims Brought by or in the Right of the Corporation. The corporation shall, to the fullest extent authorized or permitted by the Act or other applicable law, as the same presently exist or may hereafter be amended, but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification rights than before such amendment, indemnify an Indemnitee who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by Indemnitee in connection with the action or suit, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders. However, indemnification shall not be made under this subsection 2.2 for a claim, issue, or matter in which the Indemnitee has been found liable to the corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Indemnitee is fairly and

reasonably entitled to indemnification for the expenses which the court considers proper.

2.3- Actions Brought by the Indemnitee. Notwithstanding the provisions of subsections 2.1 and 2.2, the corporation shall not be required to indemnify an Indemnitee in connection with an action, suit, proceeding or claim (or part thereof)

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brought or made by such Indemnitee except as otherwise provided herein with respect to the enforcement of this Section 2 of Article VI, unless such action, suit, proceeding or claim (or part thereof) was authorized by the Board of Directors of the corporation.

2.4- Approval of Indemnification. An indemnification under subsections 2.1 or 2.2 hereof, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because such Indemnitee has met the applicable standard of conduct set forth in subsections 2.1 or 2.2, as the case may be. This determination shall be made in any of the following ways:

- (a) By a majority vote of a quorum of the Board consisting of directors who were not parties to the action, suit, or proceeding.
- (b) If the quorum described in subdivision (a) is not obtainable, then by a majority vote of a committee of directors who are not parties to the action. The committee shall consist of not less than two (2) disinterested directors.
- (c) By independent legal counsel in a written opinion.
- (d) By the shareholders.

2.5- Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in subsections 2.1 or 2.2 above shall be paid by the corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay the expenses if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the corporation. The undertaking shall be by unlimited general obligation of the person on whose behalf

advances are made but need not be secured.

2.6- Partial Indemnification. If an Indemnitee is entitled to indemnification under subsections 2.1 or 2.2 for a portion of expenses including attorneys' fees, judgments, penalties, fines and amounts paid in settlement, but not for the total amount thereof, the corporation shall indemnify the Indemnitee for the portion of the expenses, judgments, penalties, fines or amounts paid in settlement for which the Indemnitee is entitled to be indemnified.

2.7- Indemnification of Agents. Any person who is not covered by the foregoing provisions of this Article VI and who is or was an agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or

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domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, may be indemnified to the fullest extent authorized or permitted by the Act or other applicable law, as the same exists or may hereafter be amended, but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification rights than before such amendment, but in any event only to the extent authorized at any time or from time to time by the Board of Directors.

2.8- Other Rights of Indemnification. The indemnification or advancement of expenses provided under subsections 2.1 through 2.7 is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, Bylaws, or an agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in subsections 2.1 through 2.7 continues as to a person who ceases to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

2.9- Definitions. "Other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the corporation" shall include any service as a director, officer, employee, or agent of the corporation which imposes duties on, or involves services by, the director, officer,

employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the corporation or its shareholders" as referred to in subsections 2.1 and 2.2.

2.10- Liability Insurance. The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against any liability asserted against and incurred by such person in any such capacity or arising out of such person's status as such, regardless of whether or not the corporation would have the power to indemnify such person against such liability under the pertinent provisions of the Act.

2.11- Enforcement. If a claim under this Article VI is not paid in full by the corporation within thirty days after

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a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim, and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Act for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, a committee thereof, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because such claimant has met the applicable standard of conduct set forth in the Act nor an actual determination by the corporation (including its Board of Directors, a committee thereof, independent legal counsel or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a

presumption that the claimant has not met the applicable standard of conduct.

2.12- Contract with the Corporation. The right to indemnification conferred in this Article VI shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article VI is in effect, and any repeal or modification of this Article VI shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

2.13- Application to a Resulting or Surviving Corporation or Constituent Corporation. The definition for "corporation" found in Section 569 of the Act, as the same exists or may hereafter be amended is, and shall be, specifically excluded from application to this Article VI. The indemnification and other obligations set forth in this Article VI of the corporation shall be binding upon any resulting or surviving corporation after any merger or consolidation with the corporation. Notwithstanding anything to the contrary contained herein or in Section 569 of the Act, no person shall be entitled to the indemnification and other rights set forth in this Article VI for acting as a director or officer of another corporation prior to such other corporation entering into a merger or consolidation with the corporation.

2.14- Severability. Each and every paragraph, sentence, term and provision of this Article VI shall be considered

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severable in that, in the event a court finds any paragraph, sentence, term or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining paragraphs, sentences, terms, or provisions shall not be affected, and this Article VI shall be construed in all respects as if the invalid or unenforceable matter had been omitted.

These Restated Articles of Incorporation were duly adopted on the _____ day of _____, 1991, in accordance with the provisions of Section 642 of the Act and were duly adopted by the Board of Directors without a vote of the shareholders. These Restated Articles of Incorporation only restate and integrate and do not further amend the provisions of the Articles of Incorporation as heretofore amended and there is no material discrepancy between those provisions and the provisions of these Restated Articles.

Signed this _____ day of _____, 1991

By _____
(Signature)

(Type or Print Name) (Type or Print Title)

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EXHIBIT(4) (B)

"Article IV

The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is Fifty Million (50,000,000) shares of Common Stock, par value \$1.00 per share consisting of Twenty-Five Million (25,000,000) shares of Class A Common Stock, par value \$1.00 per share (the "Class A Common Stock"), and Twenty-Five Million (25,000,000) shares of Class B Common Stock, par value \$1.00 per share (the "Class B Common Stock").

At the time (the "Effective Time") that the Certificate of Amendment of the Restated Articles of Incorporation amending this Article IV to create the Class A Common Stock and the Class B Common Stock becomes effective pursuant to the Business Corporation Act of the State of Michigan, as amended (the "MBCA"), and without any further action on the part of the Corporation or its shareholders, each share of the Corporation's Common Stock, \$1.00 par value (the "Existing Stock"), then issued and outstanding shall automatically be reclassified and converted into one fully paid and nonassessable share of Class B Common Stock. Stock certificates previously representing shares of Existing Stock so reclassified and converted shall thereafter represent the same number of shares of Class B Common Stock.

Except as otherwise required by law or as expressly provided in the Restated Articles of Incorporation, as amended, the relative voting, distribution, dividend, liquidation and other rights, preferences and limitations of the Class A Common Stock and the Class B Common Stock shall be in all respects identical (the Class A Common Stock and the Class B Common Stock are hereinafter collectively referred to as the "Common Stock").

A. Voting Rights

Except as hereafter provided in this Subsection A of this Article IV or as otherwise may be required by law, (i) the Class B Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes; (ii) each holder of Class B Common Stock shall be entitled to one vote for each share of Class B Common Stock held; and (iii) the Class A Common Stock shall have no voting rights; provided, however, that the Class A Common Stock shall have the right to vote as a separate class upon any proposal to amend, alter or repeal Subsection G of this Article IV or this proviso which would affect the Class A Common Stock adversely. Where the Class A

Common Stock is entitled to vote upon a proposal, each holder of Class A Common Stock shall be

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entitled to one vote for each share of Class A Common Stock held.

B. Dividends

Subject to all of the rights of any class of stock authorized after the Effective Time ranking senior to the Common Stock as to dividends, dividends may be paid upon the Common Stock as and when declared by the Board of Directors out of funds and other assets legally available for the payment of dividends. Dividends may be declared and paid to the holders of the Class A Common Stock and the Class B Common Stock in cash, property, or stock, or other securities of the Corporation. If dividends on the Class A Common Stock and the Class B Common Stock are declared payable from time to time by the Board of Directors, whether payable in cash, in property or in shares of stock or other securities of the Corporation, the holders of the Class A Common Stock and the holders of the Class B Common Stock shall be entitled to share equally, on a per share basis, in such dividends, except that: (i) dividends or other distributions payable on the Common Stock in shares of Common Stock shall be made to all holders of Common Stock and may be made (a) in shares of Class A Common Stock to the record holders of Class A Common Stock and to the record holders of Class B Common Stock or (b) in shares of Class A Common Stock to the record holders of Class A Common Stock and in shares of Class B Common Stock to the record holders of Class B Common Stock and (ii) dividends or other distributions payable on the Common Stock in convertible securities or securities giving the holder a right to acquire shares of Common Stock ("Options"), other than rights issued pursuant to shareholder rights plans of the type entitling holders of rights other than an "Acquiring Person" to purchase shares or other securities at a below-market price if certain events occur (which rights may be distributed as a dividend pursuant to such a plan upon shares of either class of Common Stock without a corresponding dividend distribution upon shares of the other), shall be made to all holders of Common Stock and may be made (a) in securities convertible into Class A Common Stock or Options to acquire Class A Common Stock to the record holders of Class A Common Stock and to the record holders of Class B Common Stock or (b) in securities convertible into Class A Common Stock or Options to acquire Class A Common Stock to the record holders of Class A Common Stock and in securities convertible into Class B Common Stock and Options to acquire Class B Common Stock to the record holders of the Class B Common Stock.

C. Splits, Subdivision, etc.

If the Corporation shall in any manner split, subdivide or combine the outstanding shares of Class A Common Stock or Class B Common Stock, the outstanding shares of the other such class of Common

Stock shall be proportionally split,

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subdivided or combined in the same manner and on the same basis as the outstanding shares of the other class of Common Stock have been split, subdivided or combined.

D. Merger, Consolidation or Share Exchange

In the event of a merger or consolidation of the Corporation with or into another entity (whether or not the Corporation is the surviving entity), or a share exchange of Common Stock pursuant to a plan of share exchange as that term is used in Section 702 of the MBCA, the holders of Class A Common Stock shall be entitled to receive the same per share consideration as the per share consideration, if any, received by any holder of the Class B Common Stock in such merger, consolidation or share exchange.

E. Distribution Upon Dissolution, etc.

Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the remaining net assets of the Corporation shall, subject to all of the rights of any class of stock authorized after the Effective Time ranking senior to the Common Stock in such circumstances, be distributed pro rata to the holders of the Class A Common Stock and the Class B Common Stock.

F. Conversion

(i) All outstanding shares of Class A Common Stock may be converted into shares of Class B Common Stock on a share-for-share basis by the Board of Directors if, as a result of the disparate rights, preferences and limitations (or any of them) of the Class A Common Stock and the Class B Common Stock, either the Class A Common Stock or the Class B Common Stock, or both, become excluded or ineligible for trading on the New York Stock Exchange, the American Stock Exchange and all other principal national securities exchanges then in existence and also become excluded or ineligible for quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") and all other comparable national quotation systems then in existence.

(ii) All outstanding shares of Class A Common Stock automatically shall convert into shares of Class B Common Stock on a share-for-share basis if at any time the number of outstanding shares of Class B Common Stock as reflected on the stock transfer

records of the Corporation falls below 10% of the aggregate number of outstanding shares of Class A Common Stock and of Class B Common Stock.

(iii) In the event of any conversion of the Class A Common Stock pursuant to either of the preceding two paragraphs, certificates which formerly represented outstanding shares of Class A Common Stock will thereafter be

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deemed to represent a like number of shares of Class B Common Stock and all authorized shares of Common Stock shall consist of only Class B Common Stock.

G. Class A Protection Provision

(i) For purposes of this Article IV, the following capitalized terms have the following meanings, respectively:

(a) "Covered Shares" means, with respect to any person or group, the shares of Class B Common Stock beneficially owned by such person or group other than shares of Class B Common Stock (if any) that have been acquired by such person or group in any Excluded Acquisition;

(b) "Covered Share Percentage" means the percentage obtained at any relevant time by dividing the Covered Shares of a person or group by the total number of shares of Class B Common Stock then issued and outstanding;

(c) "Excluded Acquisition" means the acquisition of shares of Common Stock at the Effective Time pursuant to the provisions of this Article IV and any other acquisition of shares of Common Stock from the Corporation (whether or not for consideration) or from any person by operation of law (including but not limited to the laws of descent and distribution), by will, by gift or by foreclosure of a security interest given to secure a bona fide loan;

(d) "Threshold Percentage" means 10% or any higher percentage evenly divisible by 5.

(ii) If any person or group acquires beneficial ownership of any shares of Class B Common Stock such that upon such acquisition the Covered Share Percentage of such person or group

equals or exceeds any Threshold Percentage which it did not equal or exceed immediately prior to such acquisition and does not then beneficially own shares of Class A Common Stock (other than shares of Class A Common Stock (if any) acquired by such person or group in an Excluded Acquisition) amounting to a percentage of the Class A Common Stock then issued and outstanding equal to or in excess of the Covered Share Percentage of such person or group (a "Significant Shareholder"), such Significant Shareholder must, within ninety days after the date of such acquisition (the "Acquisition Date"), make, and must thereafter consummate, a public cash tender offer to acquire additional shares of Class A Common Stock as hereafter provided in this Subsection G of Article IV (a "Class A Protection Transaction").

(iii) In each Class A Protection Transaction, the Significant Shareholder must make a public tender offer in

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compliance with all applicable laws and regulations to acquire that number of shares of Class A Common Stock determined by (a) multiplying such Significant Shareholder's Covered Share Percentage by the total number of shares of Class A Common Stock issued and outstanding on the Acquisition Date and (b) subtracting therefrom the total number of shares of Class A Common Stock (other than any acquired by the Significant Shareholder in an Excluded Acquisition) beneficially owned by such Significant Shareholder on the Acquisition Date. The Significant Shareholder must acquire all of such shares which are validly tendered and not withdrawn; provided, however, that if the number of shares of Class A Common Stock tendered to the Significant Shareholder exceeds the number of shares required to be acquired pursuant to the formula set forth in this clause (iii), the number of shares of Class A Common Stock required to be purchased from each tendering holder shall be pro rata in proportion to the number of shares of Class A Common Stock validly tendered and not withdrawn by all tendering holders.

(iv) The offer price for any shares of Class A Common Stock required to be purchased by a Significant Shareholder pursuant hereto shall be at least equal to the greater of (a) the highest price per share paid by the Significant Shareholder (including, in the case of a Significant Shareholder which is a group, any member thereof) for any Covered Share in the six-month period ending on the Acquisition Date or (b) the highest bid price quoted for a share of Class B Common Stock (or, if higher, for a share of Class A Common Stock) on the NASDAQ National Market System (or such other exchange or quotation system as is then the principal trading market

for such shares) on the Acquisition Date. In the event that the Significant Shareholder has acquired Covered Shares in the six-month period ending on the Acquisition Date for consideration other than cash, the per share value of such consideration shall be as determined in good faith by the Board of Directors.

(v) Unless and until a Significant Shareholder, either makes an offer required by this Subsection G of Article IV and purchases shares validly tendered and not withdrawn, if any (after proration, if applicable), or divests beneficial ownership of sufficient shares of Class B Common Stock to cause the total number of Covered Shares then beneficially owned by the Significant Shareholder to be no greater than the number of Covered Shares which such Significant Shareholder could have owned on the Acquisition Date without becoming required to engage in a Class A Protection Transaction, such Significant Shareholder shall not be entitled to vote or direct the vote of any Covered Shares then or thereafter beneficially owned by such Significant Shareholder.

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(vi) In the event that a proposal is submitted for vote of the shareholders of the Corporation during the ninety-day period during which a Significant Shareholder is required to initiate a Class A Protection Transaction and such Significant Shareholder has not, prior to the record date for determining shareholders entitled to vote on such proposal, completed such Class A Protection Transaction, such Significant Shareholder shall not be entitled to vote or direct the vote of any Covered Shares of Class B Common Stock beneficially owned by such Significant Shareholder, with respect to such proposal.

(vii) Discharge by a Significant Shareholder of such Significant Shareholder's obligation to engage in a Class A Protection Transaction arising as a result of any acquisition by such Significant Shareholder shall not relieve such Significant Shareholder from any obligation to engage in a Class A Protection Transaction arising as a result of any other acquisition by such Significant Shareholder. An increase in any Covered Share Percentage resulting solely from a decrease in the total number of shares of Class B Common Stock issued and outstanding shall not constitute an "acquisition" for any purpose under this Subsection G of this Article IV.

(viii) All calculations with respect to percentage of ownership of issued and outstanding shares of either class of Common Stock shall be based upon the numbers of issued and outstanding shares reported by the Corporation in the last filed with the

Securities and Exchange Commission of the Corporation's most recent annual, quarterly, current or Form 10-C report or definitive proxy statement filed pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), in which outstanding shares of such class are reported.

(ix) For purposes of this Subsection G of this Article IV, the term "person" shall mean a person as defined in Section 3(a)(9) of the 1934 Act, "beneficial ownership" shall be determined in accordance with Rule 13d-3 promulgated under the 1934 Act or any successor regulation, the term "group" shall mean a group as described in Rule 13d-5 promulgated under the 1934 Act or any successor regulation, and the formation of a group hereunder shall have the effect described in paragraph (b) of said Rule 13d-5 or any successor regulation. Anything hereinabove to the contrary notwithstanding, however: (a) relationships by blood or marriage between or among two or more persons shall not be deemed to constitute any of such persons a member of a group with any other such persons; (b) action taken or agreed to be taken by any person acting in his official capacity as an officer or director of the Corporation shall not be deemed to constitute such person a member of a group with any other person, and (c) formation of a group shall not constitute an acquisition by the group (or any member thereof) of beneficial

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ownership of any shares of Class B Common Stock beneficially owned by any member of such group and acquired by such group member in an Excluded Acquisition.

H. No Preemptive Rights

No holder of any shares of the capital stock of the Corporation shall be entitled as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of shares of the capital stock of the Corporation of any kind or class whatsoever, or of any stock or other securities convertible into or otherwise affording any right to acquire any shares of capital stock of any kind or class whatsoever, whether now or hereafter authorized, and whether issued for cash or any other consideration, or (except as provided in Subsection B of this Article IV) by way of dividend or other distribution, and the Corporation may issue shares of capital stock, or other securities convertible into shares of capital stock, or warrants, options or other rights to acquire shares of capital stock, without first offering the same or any of the same to the holders of shares of capital stock of any kind or class, in such

manner, upon such terms and conditions, for such consideration and to such persons, natural or other, as the Board of Directors of the Corporation shall from time to time determine and decide.

I. Other Matters

(i) The Board of Directors shall have the power to issue and sell all or any part of any class of stock herein or hereafter authorized, from time to time, and at such time or times, in such amounts and manner to such persons, firms, associations or corporations, and for such consideration whether in cash, property or otherwise, as the Board of Directors shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issue or sale of the same number of shares of another class, and as otherwise permitted by law.

(ii) The Board of Directors shall have the power to purchase any class of stock herein or hereafter authorized from time to time, and at such time or times, in such amounts and manner from such persons, firms, associations or corporations, and for such consideration, whether in cash, property or otherwise, as the Board of Directors shall from time to time, in its discretion, determine, whether or not less consideration could be paid upon the purchase of the same number of shares of another class, and as otherwise permitted by law."

EXHIBIT (4) (C)

(FOR BUREAU USE ONLY)

Date Received

FILED

APR 27 1994

MICHIGAN DEPARTMENT OF COMMERCE
Corporation & Securities Bureau

RECEIVED

APR 27 1994

Mich. Dept. of Commerce
Corporation & Securities Bureau

CERTIFICATE OF AMENDMENT

TO THE

ARTICLES OF INCORPORATION

OF

TECUMSEH PRODUCTS COMPANY

Pursuant to the provisions of Act 284, Public Acts of 1972, as amended, the undersigned corporation executes the following Certificate:

1. The present name of the corporation is: Tecumseh Products Company.
2. The corporation identification number (CID) assigned by the Bureau is: 096-612.
3. The location of its registered office is: Ottawa & Patterson Streets, Tecumseh, Michigan 49286.
4. The first paragraph of Article IV of the Articles of Incorporation is hereby amended to read as follows:

The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is One Hundred Million (100,000,000) shares of Common Stock, par value \$1.00 per share, consisting of Seventy-Five Million (75,000,000) shares of Class A Common Stock, par value \$1.00 per share (the "Class A Common Stock"), and Twenty-Five Million (25,000,000) shares of Class B

Common Stock, par value \$1.00 per share (the "Class B Common Stock").

5. The foregoing amendment to the Articles of Incorporation was duly adopted on the 27th day of April, 1994. The amendment was duly adopted in accordance with Section 611(2) of the Act by the vote of the shareholders. The necessary votes were cast in favor of the amendment.

Signed this 27th day of April, 1994

By /s/Todd W. Herrick

Todd W. Herrick, President