

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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TRAVELERS INC

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SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

X 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 1-9924

The Travelers Inc.

(Exact name of registrant as specified in its charter)

Delaware 52-1568099
(State or other jurisdiction of
incorporation or organization) (I.R.S. Employer

Identification No.)

65 East 55th Street, New York, New York 10022
(Address of principal executive offices) (Zip Code)

(212) 891-8900
(Registrant's telephone number, including area code)

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:

Common stock outstanding as of April 30, 1994: 325,497,250

The Travelers Inc.
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The Travelers Inc. and Subsidiaries
Condensed Consolidated Statement of Income (Unaudited)
(In millions of dollars, except per share amounts)

Three months ended March 31,	1994	1993
<S>	<C>	<C>
Revenues		
Insurance premiums	\$1,999	\$ 366
Commissions and fees	833	277
Net investment income	788	151
Finance related interest and other charges	246	232
Principal transactions	239	78
Asset management fees	182	38
Equity in income of old Travelers	-	43
Other income	482	117
Total revenues	4,769	1,302
Expenses		
Policyholder benefits and claims	2,075	210
Non-insurance compensation and benefits	888	305
Insurance underwriting, acquisition and operating	649	126
Interest	223	158
Provision for credit losses	39	35
Other operating	357	140
Total expenses	4,231	974
Gain on sale of stock of subsidiaries and affiliates	-	6
Income before income taxes, minority interest and cumulative effect of changes in accounting principles	538	334
Provision for income taxes	198	119
Income before minority interest and cumulative effect of changes in accounting principles	340	215
Minority interest, net of income taxes	-	(8)
Cumulative effect of changes in accounting principles, net of income taxes	-	(35)
Net income	\$ 340	\$ 172
Net income per share of common stock and common stock equivalents:		
Before cumulative effect of changes in accounting principles	\$0.98	\$0.89
Cumulative effect of changes in accounting principles	-	(0.15)
Net income per share of common stock and common stock equivalents	\$0.98	\$0.74
Weighted average number of common shares outstanding and common stock equivalents	326.8	224.9

See Notes to Condensed Consolidated Financial Statements.

</TABLE>

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The Travelers Inc. and Subsidiaries
Condensed Consolidated Statement of Financial Position
(In millions of dollars, except per share amounts)

	March 31, 1994	December 31, 1993
<S>	<C>	<C>
Assets	(Unaudited)	
Cash and cash equivalents (including \$877 and \$914 segregated under federal and other brokerage regulations)	\$ 1,463	\$ 1,526
Investments:		
Fixed maturities:		
Available for sale (1994, cost - \$28,340; 1993, market - \$28,438)	27,474	28,109
Held to maturity (market \$163 and \$201)	141	177
Equity securities, at market (cost \$498 and \$513)	508	555
Mortgage loans	6,725	7,365
Real estate held for sale	979	1,049
Policy loans	1,365	1,367
Short-term and other	3,446	3,577
Total investments	40,638	42,199
Securities borrowed or purchased under agreements to resell	19,089	13,353
Brokerage receivables	8,072	8,167
Trading securities owned, at market value	6,423	5,863
Net consumer finance receivables	6,312	6,216
Reinsurance recoverables	5,153	4,999
Value of insurance in force and deferred policy acquisition costs	2,041	1,996
Cost of acquired businesses in excess of net assets	2,149	2,162
Separate and variable accounts	4,462	4,665
Other receivables	4,904	4,624
Other assets	7,324	5,590
Total assets	\$108,030	\$101,360
Liabilities		
Investment banking and brokerage borrowings	\$ 2,984	\$ 3,454
Short-term borrowings	2,959	2,535
Long-term debt	7,063	6,991
Securities loaned or sold under agreements to repurchase	14,670	10,144
Brokerage payables	7,948	7,012
Trading securities sold not yet purchased, at market value	4,432	3,835
Contractholder funds	17,527	17,980
Insurance policy and claims reserves	27,014	26,651
Separate and variable accounts	4,436	4,642
Accounts payable and other liabilities	10,020	8,680
Total liabilities	99,053	91,924
ESOP Preferred stock - Series C	235	235
Guaranteed ESOP obligation	(111)	(125)
	124	110
Stockholders' equity		
Preferred stock (\$1.00 par value; authorized shares: 30 million), at aggregate liquidation value	800	800
Common stock (\$.01 par value; authorized shares: 500 million issued shares: 1994 - 368,244,075 shares and 1993 - 368,287,709 shares)	4	4
Additional paid-in capital	6,642	6,566
Retained earnings	3,419	3,140
Treasury stock, at cost (1994 - 42,647,897 shares, 1993 - 41,155,405 shares)	(1,238)	(1,121)
Other	(774)	(63)

Total stockholders' equity	8,853	9,326
Total liabilities and stockholders' equity	\$108,030	\$101,360

See Notes to Condensed Consolidated Financial Statements.

</TABLE>

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<TABLE> <CAPTION>

The Travelers Inc. and Subsidiaries
Condensed Consolidated Statement of Changes in Stockholders' Equity (Unaudited)
(In millions of dollars, except per share amounts)

Three months ended March 31, 1994	Amount	Shares
<S>	<C>	<C>
Preferred Stock at aggregate liquidation value		(in thousands)
Balance, beginning of year	\$ 800	11,200
Balance, end of period	800	11,200
Common Stock and Additional Paid-In Capital		
Balance, beginning of year	6,570	368,287
Issuance of shares pursuant to employee benefit plans	76	-
Other	-	(43)
Balance, end of period	6,646	368,244
Retained Earnings		
Balance, beginning of year	3,140	
Net income	340	
Common dividends	(40)	
Preferred dividends	(21)	
Balance, end of period	3,419	
Treasury stock (at cost)		
Balance, beginning of year	(1,121)	(41,155)
Issuance of shares pursuant to employee benefit plans, net of shares tendered for payment of option exercise price and withholding taxes	65	3,357
Treasury stock acquired	(179)	(4,774)
Other	(3)	(76)
Balance, end of period	(1,238)	(42,648)
Other		
Balance, beginning of year	(63)	
Net change in unrealized gains and losses on investment securities	(599)	
Net issuance of restricted stock	(140)	
Restricted stock amortization	28	
Balance, end of period	(774)	
Total common stockholders' equity and common shares outstanding	\$8,053	325,596

=====
 Total stockholders' equity \$8,853
 =====

See Notes to Condensed Consolidated Financial Statements.

</TABLE>

<TABLE> <CAPTION>

The Travelers Inc. and Subsidiaries
 Condensed Consolidated Statement of Cash Flows (Unaudited)
 (In millions of dollars)

Three months ended March 31,	1994	1993
-----	-----	-----
<S>	<C>	<C>
Cash Flows From Operating Activities		
Income before income taxes, minority interest and cumulative effect of changes in accounting principles	\$ 538	\$ 334
Adjustments to reconcile income before income taxes, minority interest and cumulative effect of changes in accounting principles to net cash provided by (used in) operating activities:		
Amortization of deferred policy acquisition costs and value of insurance in force	205	67
Additions to deferred policy acquisition costs	(250)	(129)
Depreciation and amortization	74	19
Provision for credit losses	39	35
Undistributed equity earnings	-	(28)
Changes in:		
Trading securities, net	37	(384)
Securities borrowed, loaned and repurchase agreements, net	(1,210)	1,023
Brokerage receivables net of brokerage payables	1,032	(399)
Insurance policy and claims reserves	363	(9)
Other, net	(515)	128
-----	-----	-----
Net cash provided by (used in) operations	313	657
Income taxes paid	(46)	(52)
-----	-----	-----
Net cash provided by (used in) operating activities	267	605
-----	-----	-----
Cash Flows From Investing Activities		
Loans originated or purchased	(684)	(541)
Loans repaid or sold	524	485
Purchases of investments	(3,438)	(714)
Proceeds from sales of investments:		
Fixed maturities, equity securities and other	1,748	366
Mortgage loans	123	-
Real estate and real estate joint ventures	222	-
Proceeds from maturities of investments:		
Fixed maturities, equity securities and other	1,450	299

Mortgage loans	411	-
Business divestments	-	15
Other, net	(29)	10

Net cash provided by (used in) investing activities	327	(80)

Cash Flows From Financing Activities		
Dividends paid	(61)	(32)
Treasury stock acquired	(179)	(2)
Issuance of long-term debt	450	200
Payments and redemptions of long-term debt	(363)	(29)
Net change in short-term borrowings (including investment banking and brokerage borrowings)	(46)	(367)
Contractholder fund deposits	751	-
Contractholder fund withdrawals	(1,208)	-
Other, net	(1)	(17)

Net cash provided by (used in) financing activities	(657)	(247)

Change in cash and cash equivalents	(63)	278
Cash and cash equivalents at beginning of period	1,526	272

Cash and cash equivalents at end of period	\$ 1,463	\$ 550

Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 206	\$ 138
=====		

See Notes to Condensed Consolidated Financial Statements.

</TABLE>

The Travelers Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions of dollars, except per share amounts)

1. Basis of Presentation

The accompanying condensed consolidated financial statements as of March 31, 1994 and for the three-month periods ended March 31, 1994 and 1993 are unaudited and include the accounts of The Travelers Inc. (the Company) and its subsidiaries. Results of operations for the three-month period ended March 31, 1993 relate only to Primerica Corporation (Primerica), and do not include earnings related to the acquisition of the approximately 73% of The Travelers

Corporation (old Travelers) common stock acquired in December 1993 or the earnings related to the domestic retail brokerage and asset management businesses (the Shearson Businesses) of Shearson Lehman Brothers Holdings Inc. acquired in July 1993. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation have been reflected. The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report to Stockholders for the year ended December 31, 1993.

Certain financial information that is normally included in financial statements prepared in accordance with generally accepted accounting principles but is not required for interim reporting purposes has been condensed or omitted.

Certain reclassifications have been made to prior years' financial statements to conform to the current year's presentation.

FAS 115. Effective January 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities," which addresses accounting and reporting for investments in equity securities that have a readily determinable fair value and for all debt securities. Debt securities that the Company has the positive intent and ability to hold to maturity have been classified as "held to maturity" and have been reported at amortized cost. Securities that are not classified as "held to maturity" have been classified as "available for sale" and are reported at fair value, with unrealized gains and losses, net of income taxes, charged or credited directly to stockholders' equity. Initial adoption of this standard resulted in a net increase of \$214 (net of taxes) to net unrealized gains on investment securities in stockholders' equity.

Interpretation 39. Effective January 1, 1994, the Company adopted Financial Accounting Standards Board Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts" (Interpretation 39). The general principle of Interpretation 39 states that amounts due from and due to another party may not be offset in the balance sheet unless a right of setoff exists and the parties intend to exercise the right of setoff. Implementation of Interpretation 39 did not have a material impact on the Company's financial position; however, assets and liabilities were increased by approximately \$3,000.

Notes to Condensed Consolidated Financial Statements (continued)

2. Business Acquisitions

The Travelers Merger
On December 31, 1993, Primerica acquired the approximately

73% of old Travelers common stock it did not already own. Old Travelers was merged into Primerica, and concurrently, Primerica changed its name to The Travelers Inc.

The Shearson Acquisition

On July 31, 1993, the Company acquired the Shearson Businesses and combined them with the operations of Smith Barney, Harris Upham & Co. Incorporated. The combined firm was named Smith Barney Shearson Inc., and is a subsidiary of Smith Barney Shearson Holdings Inc. (SBS).

The unaudited pro forma condensed results of operations presented below assume the above transactions had occurred at the beginning of the period presented:

Pro Forma	Three months ended March 31, 1993

Revenues	\$4,840 =====
Income before cumulative effect of changes in accounting principles	\$ 392 =====
Net income	\$ 357 =====
Net income per share:	
Before cumulative effect of changes in accounting principles	\$ 1.16 =====
Net income	\$ 1.05 =====

The unaudited pro forma condensed financial information is not necessarily indicative either of the results of operations that would have occurred had these transactions been consummated at the beginning of the period presented or of future operations of the combined companies.

3. Debt

Short-term borrowings consisted of the following:

	March 31, 1994 -----	December 31, 1993 -----
Commercial paper		
The Travelers Inc.	\$ 425	\$ 329
Commercial Credit Company	2,483	2,206
The Travelers Insurance Company	51	-
	-----	-----
	\$2,959	\$2,535
	=====	=====

The Travelers Inc. (the Parent), Commercial Credit Company (CCC) and The Travelers Insurance Company (TIC) issue commercial paper directly to investors. Each maintains unused credit availability under its respective bank lines of credit at least equal to the amount of its outstanding commercial paper. Each may borrow under its revolving credit facilities at various interest rate options and compensates the banks for the facilities through commitment fees. The Parent and CCC have agreements with certain banks totaling \$800 whereby the Parent, with the consent of CCC, may assign certain revolving credit amounts (swing facilities) to CCC for specific periods of time. At

Notes to Condensed Consolidated Financial Statements (continued)

March 31, 1994 \$550 was allocated to CCC. The Parent and TIC have an agreement amounting to \$275 with certain banks whereby both the Parent and TIC may access a revolving credit facility.

At March 31, 1994, the Parent had committed and available revolving credit facilities of \$525 (which includes \$275 that may be accessed by TIC) of which \$75 expires in 1994 and \$450 expires in 1995. At March 31, 1994, CCC had committed and available revolving credit facilities of \$2,670, of which \$250 expires in 1994, \$920 expires in 1995 and \$1,500 expires in 1997.

Long-term debt, including its current portion consisted of the following:

	March 31, 1994 -----	December 31, 1993 -----
The Travelers Inc.	1,396	1,504
Commercial Credit Company	3,726	3,970
Smith Barney Shearson	1,825	1,375
The Travelers Insurance Group Inc.	116	142
	-----	-----
	\$7,063	\$6,991
	=====	=====

During the first quarter of 1994, Smith Barney Shearson issued \$200 of 5 1/2% Notes due January 15, 1999 and \$200 of 6% Notes due March 15, 1997.

Investment banking and brokerage borrowings consisted of the following:

	March 31, 1994 -----	December 31, 1993 -----
Commercial paper	\$1,486	\$1,401
Secured borrowings	180	105
Unsecured borrowings	703	693
Notes to LBI	615	1,255
	---	-----
	\$2,984	\$3,454
	=====	=====

Investment banking and brokerage borrowings are short-term and include commercial paper, secured and unsecured bank loans used to finance operations, including the securities settlement process, and notes issued to Lehman Brothers Holdings Inc. (LBI) in connection with the Shearson Businesses acquired. The secured and unsecured bank loans bear interest at fluctuating rates based primarily on the federal funds interest rate. Notes payable to LBI at December 31, 1993 included a \$586 variable rate note which was paid in January 1994, and was issued as partial payment for the businesses acquired. Also included in notes payable to LBI is a non-interest bearing note (the Clearing Note) outstanding in connection with LBI's activities under the Clearing Agreement. The Clearing Note, which matures upon termination of the Clearing Agreement, fluctuates daily based

on LBI's borrowing activities. In 1993, SBS put in place a \$1,500 commercial paper program that consists of both discounted and interest bearing paper. At March 31, 1994, SBS had unused committed and available short-term lines of credit amounting to \$270. In addition, SBS has substantial borrowing arrangements consisting of facilities that it has been advised are available, but where no contractual lending obligation exist.

4. Reinsurance

The Company's insurance operations cede insurance in order to limit losses, reduce exposure on large risks, provide additional capacity for future growth, and effect business sharing arrangements. Life reinsurance is accomplished through various plans of reinsurance, primarily coinsurance,

Notes to Condensed Consolidated Financial Statements (continued)

modified coinsurance and yearly renewable term. Property-casualty reinsurance is placed on both a quota-share and excess basis. The property-casualty insurance subsidiaries also participate as a servicing carrier for, and a member of, several pools and associations. Reinsurance ceded arrangements do not discharge the insurance subsidiaries or the Company as the primary insurer. Reinsurance amounts included in the Condensed Consolidated Statement of Income were as follows:

<TABLE> <CAPTION>

	Gross Amount -----	Ceded to Other Companies -----	Net Amount -----
Three months ended March 31, 1994 -----			
<S>	<C>	<C>	<C>
Premiums			
Life insurance	\$ 474	\$ (73)	\$ 401
Accident and health insurance	654	(20)	634
Warranty, property and casualty insurance	1,305	(341)	964
	-----	-----	-----
	\$2,433	\$ (434)	\$1,999
	=====	=====	=====
Claims	\$1,952	\$ (354)	\$1,598
	=====	=====	=====
Three months ended March 31, 1993 -----			
Premiums			
Life insurance	\$290	\$ (69)	\$221
Accident and health insurance	86	(4)	82
Warranty, property and casualty insurance	110	(47)	63
	---	---	---
	\$486	\$ (120)	\$366
	===	=====	=====
Claims	\$265	\$ (72)	\$193
	===	=====	=====

</TABLE>

5. Contingencies

Certain of the Company's subsidiaries are involved in litigation with respect to claims arising with regard to insurance, which is taken into account in establishing benefit reserves. On insurance contracts written many years ago, old Travelers continues to receive claims asserting alleged injuries and damages from asbestos and other hazardous and toxic substances. In relation to these claims, the Company carries on a continuing review of its overall position, its reserving techniques and reinsurance recoverable. In each of these areas of exposure, the Company has endeavored to litigate individual cases and settle claims on favorable terms. Given the vagaries of court coverage decisions, plaintiff's expanded theories of liability, the risks inherent in major litigation and other uncertainties, it is not presently possible to quantify the ultimate exposure represented by these claims. As a result, the Company expects that future earnings may be adversely affected by environmental and asbestos claims, although the amounts cannot be reasonably estimated. However, it is not likely these claims will have a material adverse effect on the Company's financial condition.

In the ordinary course of business the Company and/or its subsidiaries are defendants or co-defendants in various litigation matters. Although there can be no assurances, the Company believes, based on information currently available, that the ultimate resolution of these legal proceedings (other than environmental and asbestos claims) would not be likely to have, but may have, a material adverse effect on the results of operations.

Item 2.

MANAGEMENT'S DISCUSSION and ANALYSIS of FINANCIAL CONDITION and RESULTS of OPERATIONS

Consolidated Results of Operations

(in millions, except per share amounts)	Three Months Ended	
	1994	March 31, 1993
Revenues	\$4,769 =====	\$1,302 =====
Income before cumulative effect of changes in accounting principles	\$ 340 =====	\$ 207 =====
Earnings per share:		
Before cumulative effect of changes in accounting principles	\$ 0.98 =====	\$0.89 =====
Net income	\$ 0.98 =====	\$0.74 =====
Weighted average number of common shares outstanding and common stock equivalents	326.8	224.9

The Travelers Merger

On December 31, 1993, Primerica Corporation (Primerica) acquired the approximately 73% of The Travelers Corporation (old Travelers) common stock it did not already own (the Merger). Old Travelers was merged into Primerica, and concurrently, Primerica changed its name to The Travelers Inc. which, together with its subsidiaries, is hereinafter referred to as the Company. The old Travelers businesses acquired are hereinafter referred to as old Travelers or The Travelers Insurance Group.

The Shearson Acquisition

On July 31, 1993, the Company acquired the domestic retail brokerage and asset management businesses (the Shearson Businesses) of Shearson Lehman Brothers Holdings Inc., a subsidiary of American Express Company. The businesses acquired were combined with the operations of Smith Barney, Harris Upham & Co. Incorporated, and the combined firm was named Smith Barney Shearson Inc., which is a subsidiary of Smith Barney Shearson Holdings Inc. (SBS).

Results of Operations

The discussion of results of operations for the three-month period ended March 31, 1993 relates only to old Primerica (which excludes old Travelers and the Shearson Businesses). The assets and liabilities of old Travelers and the Shearson Businesses are reflected in the Condensed Consolidated Statement of Financial Position at December 31, 1993 on a fully consolidated basis.

Net income for the quarter ended March 31, 1994 includes reported after-tax net portfolio losses of \$3 million, compared to previously reported after-tax portfolio gains of \$24 million and an after-tax gain of \$4 million from the sale of the Company's remaining interest in Fingerhut Companies, Inc. (Fingerhut) in the prior year period.

Also included in net income for the 1993 period is an after-tax charge of \$18 million resulting from the adoption of Statement of Financial Accounting Standards No. 112 (FAS 112), "Employers' Accounting for Postemployment Benefits," and an after-tax charge of \$17 million resulting from the adoption of Statement of Financial Accounting Standards No. 106 (FAS 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions."

Excluding these items, earnings for the three months ended March 31, 1994 increased by \$164 million, or 92%, over the 1993 period, reflecting primarily increased operating earnings from Smith Barney Shearson (including earnings associated with the Shearson Businesses), improved performance at Consumer Finance Services and the inclusion of the additional 73% interest in the earnings of The Travelers Insurance Group acquired on December 31, 1993, offset by increased corporate expenses related to acquisitions.

The following discussion presents in more detail each segment's performance.

<TABLE> <CAPTION>

Segment Results for the Three Months Ended March 31, 1994 and 1993

Investment Services

(\$ in millions)	Three Months Ended March 31,			
	1994		1993	
	Revenues	Net income	Revenues	Net income
<S>	<C>	<C>	<C>	<C>
Smith Barney Shearson	\$1,453	\$145	\$466	\$55
Mutual funds and asset management	40	8	37	8
Total Investment Services	\$1,493	\$153	\$503	\$63

</TABLE>

The Company's Investment Services segment includes SBS - investment banking and securities brokerage; American Capital Management & Research, Inc. (American Capital) - mutual funds; and a limited partnership interest in RCM Capital Management (RCM) - asset management.

SBS's earnings increased significantly to \$145 million in the quarter ended March 31, 1994, which includes the results of the Shearson Businesses. This compares to \$55 million reported by Smith Barney alone in the prior year period, reflecting strong retail, institutional sales and trading and investment banking activity.

Smith Barney Shearson Revenues

<TABLE> <CAPTION>

(\$ in millions)	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
Commissions	\$ 608	\$152
Investment banking	196	121
Principal trading	239	78
Asset management fees	182	22
Interest income, net*	72	34
Other income	53	4
Net revenues*	\$1,350	\$411

</TABLE>

*Net of interest expense of \$103 and \$55 for the three month periods ended March 31, 1994 and 1993, respectively. Revenues included in the consolidated statement of income are before deductions for interest expense.

Revenues from investment banking increased 62%, as a result of growth in merger and acquisition advisory activity and in the number of public offerings underwritten. Revenues from principal trading more than tripled to \$239 million, reflecting across-the-

board growth, led by a four-fold increase in over-the-counter activity.

Asset management fees increased significantly as assets under management rose to \$77.3 billion at March 31, 1994 (which reflects \$55 billion acquired in the Shearson Acquisition) compared to \$17.2 billion at March 31, 1993. Furthermore, fees related to "wrap fee" managed accounts, which represent 62% of asset management fees earned, increased significantly. "Wrap fee" managed accounts consist of customer accounts paying a single asset-based fee for multiple services which may include brokerage, custody and advisory services. The increase resulted from the discretionary "wrap fee" managed accounts acquired in the Shearson Acquisition as well as internal growth. The inclusion of the Shearson businesses also increased net interest income to \$72 million for the quarter ended March 31, 1994.

SBS's business is significantly affected by the levels of activity in the securities markets which were favorable during the first quarter of 1994. Many factors have an impact on the securities markets including the level and trend of interest rates, the general state of the economy and the national and worldwide political environments. Activity in the securities markets in April 1994 was weaker than in the first quarter. Should this trend continue, results will be negatively affected.

Mutual Funds and Asset Management

Net income from the Company's mutual funds and asset management operations in 1994 was about even with the prior year period, reflecting increased volume-related marketing expenses. American Capital's mutual fund sales (at net asset value) increased 25% to \$867 million for the three month period ended March 31, 1994 compared to \$694 million in the prior year period.

<TABLE> <CAPTION>

Assets Under Management

(\$ in billions)	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
Smith Barney Shearson	\$ 77.3	\$17.2
RCM Capital Management	23.8	23.9
American Capital (1)	16.5	15.4
Travelers Life and Annuities (2)	20.6	-
Total Assets Under Management	\$138.2	\$56.5

</TABLE>

- (1) Includes the assets of the Common Sense Trust, marketed by Primerica Financial Services.
- (2) Part of Life Insurance Services segment.

Consumer Finance Services

<TABLE> <CAPTION>

(\$ in millions)	Three Months Ended March 31,			
	1994		1993	
<S>	<C> Revenues	<C> Net income	<C> Revenues	<C> Net income
Consumer Finance Services	\$300	\$51	\$285	\$48

</TABLE>

The 6% increase in Consumer Finance net income in the first quarter of 1994 over the same period last year reflects continued growth in receivables outstanding to \$6.445 billion (before allowance for losses and accrued interest receivable) at the end of the period. During the first three months of 1994, 31 new branch offices were added, bringing the total to 799 at March 31, 1994. About 40 more offices are planned to be opened by year-end 1994.

Charge-offs remained at low levels for the 1994 period -- 2.26% versus 2.61% in the prior year quarter, while the 60+ day delinquencies hit a record low of 2.00% versus 2.36% in the prior year period.

The average yield on the portfolio declined to 15.22% from 15.91%, although net margins rose to 8.51%. This reflects a shift in product mix toward more variable rate loans and lower funding costs.

<TABLE> <CAPTION>

	As of, and for, the Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
Allowance for losses as % of consumer finance receivables	2.64%	2.87%
Charge-off rate	2.26%	2.61%
60 + days past due on a contractual basis as % of gross consumer finance receivables at quarter end	2.00%	2.36%

</TABLE>

Life Insurance Services

<TABLE> <CAPTION>

(\$ in millions)	Three Months Ended March 31,			
	1994		1993	
	Revenues	Net income	Revenues	Net income
<S>	<C>	<C>	<C>	<C>
Primerica Financial Services	\$ 317	\$ 50	\$297	\$47
Travelers Life and Annuities (1)	546	42	90	16
Managed Care and Employee Benefits	914	33	-	-
Total Insurance Services	\$1,777	\$125	\$387	\$63

</TABLE>

(1) Net income includes \$10 of reported portfolio gains in 1993.

The Life Insurance Services segment includes the results of Primerica Financial Services (PFS) for both periods presented and the results of the Travelers Life and Annuities and the Managed Care

and Employee Benefits segments of old Travelers for 1994 only, which were acquired on December 31, 1993.

Travelers Life and Annuities consists principally of individual products marketed under the Travelers name (which was the Financial Services business of old Travelers) and the accident and health operations of old Primerica, as well as group annuity operations (which was the Asset Management & Pension Services business of old Travelers).

Managed Care and Employee Benefits consists of the old Travelers businesses that market group accident and health and life insurance, managed health care programs, and administrative services associated with employee benefit plans to customers ranging from large multinational corporations to small local employers.

Primerica Financial Services

During the first quarter of 1994 PFS issued 69,300 policies totaling \$13.2 billion in face amount of individual life insurance, compared to 59,000 policies totaling \$11.0 billion in face amount in the corresponding 1993 period. Insurance in force was \$312.5 billion at March 31, 1994, up from \$309.3 billion at December 31, 1993, reflecting positive sales trends as well as better policy persistency. PFS's earnings are significantly affected by the levels of insurance in force, and it is likely that results would be negatively impacted in future periods should insurance in force experience a substantial decline.

PFS has traditionally offered mutual funds to customers as a way for them to invest the savings obtained through relatively low cost term life insurance as compared to traditional whole life insurance. Sales of mutual funds during the first quarter of 1994 increased 24% to \$366 million, compared to first quarter 1993 sales of \$294 million. Assets under management in the proprietary Common Sense(R) Trust family of funds totaled \$3.3 billion. Net receivables from \$.M.A.R.T. and S.A.F.E. consumer loans were \$866 million, up 60% from \$542 million at the end of the prior year period, reflecting recent record levels of new loan volume.

Travelers Life and Annuities

Travelers Life and Annuities operations issued \$2.4 billion of face amount of individual life insurance for net written premiums and deposits of \$65.9 million, bringing total life insurance in force to \$46.0 billion. Individual annuity production was strong during the first quarter of 1994, compared to the prior period levels and recent experience, reflecting sales of variable annuities. Net written premiums and deposits totaled \$317.1 million in the 1994 period, bringing total policyholder account balances and benefit reserves to \$10.2 billion. Annuity sales activity has been helped by the ratings upgrades that accompanied the merger of Primerica and old Travelers. In the group annuity business, net written premiums and deposits were \$424.7 million, bringing policyholder account balances and benefit reserves to \$13.2 billion. Net written premiums for individual accident and health products, primarily long-term care and supplementary products, totaled \$81.7 million in the first quarter of 1994.

Managed Care and Employee Benefits

Net income for the Managed Care and Employee Benefits operations reflects reduced operating expenses resulting from restructuring initiatives and improved underwriting partially offset by a decline in premiums, deposits and equivalents.

New business production (in terms of premiums and equivalents) in the life and health areas was \$500 million for the quarter ended March 31, 1994, and represents a decline over old Travelers' 1993

first quarter. This decline reflects increased emphasis on improvements in underwriting designed to reduce financial risk.

In the group life business, net premiums written, deposits and equivalents totaled \$206 million for the quarter ended March 31, 1994. The overall competitive group life market, as well as shifting buying patterns in the marketplace, have negatively impacted group life business volumes. Face amount of group life insurance issued for the first quarter 1994 was \$4.5 billion versus \$4.9 billion in the 1993 period, resulting in total group life insurance in force of \$136.4 billion.

In the group health business, net premiums written, deposits and equivalents were \$2.4 billion for the quarter ended March 31, 1994 and reflect a continued shift to administrative services products and the cancellation of a number of large contracts. The total lives covered by medical plans declined to 5.7 million from 6.2 million a year ago, although participation in the managed care component rose 10%.

Property and Casualty Insurance Services

<TABLE> <CAPTION>

(\$ in millions)	Three Months Ended March 31,			
	1994		1993	
	Revenues	Net income	Revenues	Net income
<S>	<C>	<C>	<C>	<C>
Commercial (1)	\$ 836	\$43	\$85	\$16
Minority Interest - Gulf	-	-	-	(8)
Personal	366	10	-	-
Total Property and Casualty Insurance Services	\$1,202	\$53	\$85	\$ 8

</TABLE>

(1) Net income includes \$5 of reported portfolio losses in 1994 and \$9 of reported portfolio gains in 1993.

The Property and Casualty Insurance Services segment consists of the business lines of old Travelers as well as Gulf Insurance Group (Gulf). Segment earnings for 1993 include only Gulf.

Commercial Lines

Net written premiums and equivalents for the first quarter of 1994 were up 3.5% to \$1.5 billion. A significant component of Commercial Lines is the national accounts division, which provides insurance coverages and services, primarily workers' compensation, to large corporations. Although premiums and equivalents combined were comparable with the year ago period, the premium revenue for this business declined 28%. This decline resulted from an ongoing shift from premium business into non risk-bearing business and efforts to help customers control their loss costs, which has helped to build a 95% customer retention ratio.

Commercial Lines' agency business serves small and mid-sized businesses through brokers and approximately 2,500 independent agents. Net written premiums increased 6% to \$433 million, as growth in industry-specific programs more than offset continued soft market conditions.

The combined ratio for Commercial Lines was 111.5% at March 31, 1994. This compares to a combined ratio of 96.4% in the corresponding 1993 period, representing Gulf only. Included in the first quarter of 1994 are after-tax catastrophe losses of \$20.3 million, net of reinsurance, resulting principally from severe storms in the Northeast during the winter of 1994. These losses were largely offset, however, by favorable loss development in certain workers' compensation lines and residual markets.

Personal Lines

Net written premiums for the first quarter of 1994 were \$361.9 million, and reflects strong growth in targeted regions as well as in the non-standard auto market.

Operating earnings reflected \$19.7 million of catastrophe losses (after taxes and net of reinsurance) related to the severe storms in the Northeast, which were partially offset by favorable loss reserve development in 1994 on prior years' business. The unit continues to actively manage and reduce its exposure to windstorms and hurricanes.

Despite cost control efforts that produced a one percentage point decrease in the expense ratio, the period's catastrophe losses caused the combined ratio for Personal Lines to increase to 109.0%.

<TABLE> <CAPTION>
Corporate and Other

(\$ in millions)	Three Months Ended March 31,			
	1994		1993	
	Revenues	Net income (expense)	Revenues	Net income (expense)
<S> Net expenses	<C>	<C> \$ (42)	<C>	<C> \$ (11)
Equity in income of old Travelers		-		32
Gain on sales of stock of subsidiaries and affiliates		-		4
Total Corporate and Other	\$ (3)	\$ (42)	\$42	\$ 25

</TABLE>

The increase in Corporate and Other net expenses for the first quarter of 1994 is primarily attributable to the assumption by the parent company of old Travelers corporate debt and certain corporate expenses and interest costs related to the July 1993 Shearson acquisition.

Included in Corporate and Other net income in the 1993 period is \$32 million which represented the then-27% equity in the income of old Travelers and was comprised of \$22 million of operating earnings and \$10 million of realized portfolio gains. The 1993 net gain on sales of stock of subsidiaries and affiliates resulted from the sale of the Company's remaining interest in Fingerhut.

Liquidity and Capital Resources

The Travelers Inc. (the Parent) services its obligations (i.e., debt service and dividends) primarily with dividends and other advances that it receives from subsidiaries. The subsidiaries' dividend paying ability is limited by certain covenant restrictions in bank and/or credit agreements and/or by regulatory requirements. The Parent believes it will have sufficient funds to meet current and future commitments. Each of the Company's major operating subsidiaries finances its operations on a stand-alone basis consistent with its capitalization and ratings.

The Parent

The Parent issues commercial paper directly to investors and maintains unused credit availability under committed revolving credit agreements at least equal to the amount of commercial paper outstanding.

As of May 13, 1994, the Parent had \$800 million available for debt offerings under its shelf registration statement.

17

As of March 31, 1994, the Parent had unused credit availability of \$525 million, of which up to \$275 million may be accessed by either the Parent or The Travelers Insurance Company, an indirect subsidiary. The Parent may borrow under its revolving credit facilities at various interest rate options and compensates the banks for the facilities through commitment fees.

Commercial Credit Company (CCC)

CCC also issues commercial paper directly to investors and maintains unused credit availability under committed revolving credit agreements at least equal to the amount of commercial paper outstanding. As of March 31, 1994, CCC had unused credit availability of \$2.670 billion. CCC may borrow under its revolving credit facilities at various interest rate options and compensates the banks for the facilities through commitment fees.

As of May 13, 1994, CCC had \$850 million available for debt offerings under its shelf registration statement.

Smith Barney Shearson Holdings Inc. (SBS)

SBS funds its day to day operations through the use of commercial paper, collateralized and uncollateralized bank borrowings (both committed and uncommitted), internally generated funds, repurchase transactions, and securities lending arrangements. The volume of SBS's borrowings generally fluctuates in response to changes in the amount of reverse repurchase transactions outstanding, the level of securities inventories, customer balances and securities borrowing transactions. SBS has a commitment from a bank syndicate for an \$825 million revolving credit facility, which consists of a 364-day revolving credit facility in the amount of \$200 million and a three-year revolving credit facility in the amount of \$625 million, both of which were fully utilized at March 31, 1994. SBS also had unused committed and available short-term lines of credit amounting to \$270 million. In addition, SBS has substantial borrowing arrangements consisting of facilities that it has been advised are available,

but where no contractual lending obligations exist.

SBS, through its subsidiary Smith Barney Shearson Inc., issues commercial paper directly to investors. As a policy, SBS maintains sufficient borrowing power of unencumbered securities to cover unsecured borrowings and unsecured letters of credit. In addition, SBS monitors its leverage and capital ratios on a daily basis.

During 1994, SBS completed the following debt offerings and, as of May 9, 1994, had \$1.0 billion available for debt offerings under its shelf registration statements:

- 5 1/2% Notes due January 15, 1999	\$200 million
- 6% Notes due March 15, 1997	\$200 million

The Travelers Insurance Group

At March 31, 1994, The Travelers Insurance Group had \$24.4 billion of life and annuity product deposit funds and reserves. Of that total, \$11.5 billion are not subject to discretionary withdrawal based on contract terms. The remaining \$12.9 billion are for life and annuity products that are subject to discretionary withdrawal by the contractholder. Included in the amount that is subject to discretionary withdrawal is \$2.7 billion of liabilities that are surrenderable with market value adjustments. An additional \$5.7 billion of the life insurance and individual annuity liabilities, subject to discretionary withdrawal, have an average surrender charge of 5.3% and \$1.5 billion of liabilities are surrenderable at book value over 5 to 10 years. In the payout phase, these funds are credited at significantly reduced interest rates.

The remaining \$3.0 billion of liabilities are surrenderable without charge. More than half of these relate to individual life products. These risks would have to be underwritten again if transferred to another carrier, which is considered a significant deterrent against withdrawal by long-term policyholders.

Insurance liabilities that are surrendered or withdrawn from The Travelers Insurance Group are reduced by outstanding policy loans and related accrued interest prior to payout.

The Travelers Insurance Company (TIC), a direct subsidiary of The Travelers Insurance Group Inc., issues commercial paper to investors and maintains unused committed, revolving credit facilities at least equal to the amount of commercial paper outstanding. As of March 31, 1994, TIC has unused credit availability of \$275 million, all of which may be accessed by either TIC or the Parent.

As part of the process of accreditation by the National Association of Insurance Commissioners, state insurance regulators have been recommending the adoption of new statutory standards for the payment of dividends by insurance companies without prior approval. As part of this effort, the Connecticut General Assembly passed legislation in 1992 which is effective for dividends paid on and after December 1, 1993. Under this legislation, statutory surplus of The Travelers Insurance Group is not available in 1994 for dividends to the Parent without prior approval.

Investment Portfolio

The Company's \$41 billion investment portfolio consists primarily

of fixed income investments with an average quality rating of A1. The average duration of the fixed income portfolio, including short-term fixed income investments, is 4.8 years.

The mortgage loans and real estate that comprise a large part of the portfolio supporting the company's "Travelers Life and Annuities" segment are down to \$7.7 billion at March 31, 1994 versus \$8.4 billion at year-end 1993. Underperforming mortgages and real estate accounted for \$2.2 billion of the total at March 31, 1994, down from \$2.5 billion at year-end 1993.

The Company is continuing to maintain a brisk program of real estate sales, with the goal of reducing its exposure to a level that would not be considered meaningful in relation to the size of its equity base. Proceeds from the sales of real estate, real estate joint ventures, and mortgage loans (including discounted payoffs) during the first quarter of 1994 amounted to approximately \$345 million.

Accounting Standards Not Yet Adopted

FAS 114

Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan," describes how impaired loans should be measured when determining the amount of a loan loss accrual. The Statement also amends existing guidance on the measurement of restructured loans in a troubled debt restructuring involving a modification of terms. The Company has not yet determined the impact, if any, this statement will have on its financial statements. The Statement has an effective date of January 1, 1995.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

For information concerning a purported class action against the Company and others in connection with certain changes in the retirement benefits of retirees of Primerica Corporation, a New Jersey corporation formerly known as American Can Company, see the description that appears in the fourth paragraph of page 31 of the Company's filing on Form 10-K for the year ended December 31, 1989, and the description that appears in the fourth full paragraph of page 26 of the Company's filing on Form 10-K for the year ended December 31, 1991, which descriptions are incorporated by reference herein. A copy of the pertinent paragraphs of such filings is included as an exhibit to this Form 10-Q. In June 1992, the United States Court of Appeals for the Third Circuit reversed the trial court's grant of summary judgment in favor of the Company and the other defendants in the class action, and remanded the case to the District Court to determine certain factual matters. The trial is expected to begin in May 1994.

The Securities and Exchange Commission (the "Commission") has conducted a nonpublic inquiry pursuant to an order of investigation with respect to the accounting, reporting and

disclosure treatment of The Travelers Corporation in connection with its lending and loss recognition practices pertaining to real estate investments and related matters going back to January 1, 1988. The Travelers Corporation was merged into the Company on December 31, 1993. In May 1994, The Travelers Corporation and The Travelers Insurance Company entered into an agreement with the Commission requiring them to restate their consolidated financial statements for the fiscal year ended December 31, 1989. The restatement will modify the companies' implementation in 1989 of Statement of Financial Accounting Standards No. 97, applicable to insurance companies in accounting for certain products and realized gains and losses. The consolidated balance sheets of the companies at December 31, 1989 will not change as a result of the restatement. The agreement does not affect the Company's consolidated financial statements.

Item 4. Submission of Matters to a Vote of Security Holders.

The Company's Annual Meeting of Stockholders was held on April 27, 1994. At the meeting, (i) seven persons were elected as Class III directors of the Company, (ii) the selection of KPMG Peat Marwick to serve as the independent auditors of the Company for 1994 was ratified, (iii) the Employee Discount Stock Purchase Plan, pursuant to which eligible employees can purchase shares of Common Stock of the Company at a discount, was approved and adopted and (iv) the Executive Performance Compensation Plan, which establishes performance criteria for determining the maximum amount of bonus compensation available for the chief executive officer and the four other most highly compensated executive officers of the Company and its subsidiaries, was approved and adopted. The number of votes cast for, against or withheld, and the number of abstentions with respect to each such matter is set forth below. There were no broker non-votes in connection with the matters voted upon at the meeting.

<TABLE> <CAPTION>

	For ---	Against/Withheld -----	Abstained -----
Election of Directors:			
Nominee			

<S>	<C>	<C>	<C>
Douglas D. Danforth	273,677,582	2,598,313	
Robert F. Daniell	273,729,368	2,546,527	
Leslie B. Disharoon	273,881,264	2,394,631	
Gerald R. Ford	271,150,211	5,125,684	
Robert I. Lipp	271,596,382	4,679,513	
Andrall E. Pearson	271,698,328	4,577,567	
Linda J. Wachner	271,104,322	5,171,573	
 Ratification of Auditors:	 273,735,690	 1,347,429	 1,192,776
 Approval of Employee Discount Stock Purchase Plan:	 268,585,929	 6,109,096	 1,580,870
 Approval of Executive Performance			

</TABLE>

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:
See Exhibit Index.

(b) Reports on Form 8-K:

On January 13, 1994, the Company filed a Current Report on Form 8-K, dated December 31, 1993, reporting under Item 2 thereof the consummation of its merger with The Travelers Corporation and including under Item 7 thereof certain financial information.

On January 26, 1994, the Company filed a Current Report on Form 8-K, dated January 24, 1994, reporting under Item 5 thereof the results of its operations for the three months and twelve months ended December 31, 1993, and certain other selected financial data.

On March 1, 1994, the Company filed a Current Report on Form 8-K, dated March 1, 1994, reporting under Item 5 thereof the status of certain legal proceedings involving the Company.

No other Current Reports on Form 8-K were filed during the quarter ended March 31, 1994.

<TABLE> <CAPTION>

EXHIBIT INDEX

Exhibit Number -----	Description of Exhibit -----	Filing Method -----
<S> 3.01	<C> Restated Certificate of Incorporation of The Travelers Inc. (the "Company") and Certificate of Designation of Cumulative Adjustable Rate Preferred Stock, Series Y.	<C> Electronic
3.02	By-Laws of The Travelers Inc. as amended through April 27, 1994.	Electronic
10.01	Employment Protection Agreement, dated as of December 31, 1987, between the Company (as successor to Commercial Credit Company ("CCC")), and Sanford I. Weill, incorporated by reference to Exhibit 10.03 to CCC's Annual Report on Form 10-K for the fiscal year ended December 31, 1987 (File No. 1-6594).	
10.02.1	Stock Option Plan of the Company, as amended through April 26, 1989, incorporated by reference to Annex A to the prospectus contained in the Company's Registration Statement on Form S-8 (No. 33-29711).	
10.02.2	Amendment to the Company's Stock Option Plan, dated October 23, 1991, incorporated by reference to Exhibit 10.02.2 to the Company's Annual	

- 10.02.3 Amendments to the Company's Stock Option Plan, approved by the Company's stockholders on April 22, 1992, incorporated by reference to Exhibit 10.02.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 (File No.1-9924) (the "Company's 1992 10-K").
- 10.02.4 Amendment to the Company's Stock Option Plan, dated July 22, 1992, incorporated by reference to Exhibit 10.02.4 to the Company's 1992 10-K.
- 10.02.5 Amendment No. 11 to the Company's Stock Option Plan, incorporated by reference to Exhibit 10.02.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 (File No. 1-9924) (the "Company's 1993 10-K").

<CAPTION> Exhibit Number -----	Description of Exhibit -----	Filing Method -----
<S>	<C>	<C>
10.02.6	Amendment No. 12 to the Company's Stock Option Plan, incorporated by reference to Exhibit 10.02.6 to the Company's 1993 10-K.	
10.03	Retirement Benefit Equalization Plan of the Company (as successor to Primerica Holdings, Inc.), as amended, incorporated by reference to Exhibit 10.03 to the Company's 1993 10-K.	
10.04	Letter Agreement between Joseph A. Califano, Jr. and the Company, dated December 14, 1988, incorporated by reference to Exhibit 10.21.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988 (File No. 1-9924) (the "Company's 1988 10-K").	
10.05.1	The Company's Deferred Compensation Plan for Directors, incorporated by reference to Exhibit 10.21.2 to the Company's 1988 10-K.	
10.05.2	Amendment to the Company's Deferred Compensation Plan for Directors, dated July 22, 1992, incorporated by reference to Exhibit 10.06.2 of the Company's 1992 10-K.	
10.06.1	Supplemental Retirement Plan of the Company, incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1990 (File No. 1-9924) (the "Company's	

1990 10-K").

- 10.06.2 Amendment to the Company's Supplemental Retirement Plan, incorporated by reference to Exhibit 10.06.2 to the Company's 1993 10-K.
- 10.07 Long-Term Incentive Plan of the Company, as amended, incorporated by reference to Exhibit 10.08 to the Company's 1992 10-K.
- 10.08.1 Capital Accumulation Plan of the Company (the "CAP Plan"), as amended to January 31, 1993, incorporated by reference to Exhibit 10.09 to the Company's 1992 10-K.
- 10.08.2 Amendment No. 8 to the Company's CAP Plan, incorporated by reference to Exhibit 10.08.2 to the Company's 1993 10-K.

<CAPTION> Exhibit Number -----	Description of Exhibit -----	Filing Method -----
<S> 10.09.1	<C> Employment Agreement dated as of December 16, 1988 among Smith Barney Shearson Inc. (formerly Smith Barney, Harris Upham & Co. Incorporated; hereinafter "SBS"), the Company and Frank G. Zarb (the "FGZ Employment Agreement"), incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1989 (File No. 1-9924).	<C>
10.09.2	Assignment Agreement and Amendment No. One to FGZ Employment Agreement, incorporated by reference to Exhibit 10.09.2 to the Company's 1993 10-K.	
10.10	Restated Stockholder Rights and Support Agreement dated as of November 1, 1989 by and among the Company and Arthur L. Williams, Jr., Angela H. Williams, A.L. Williams & Associates, Inc. and The A.L. Williams & Associates, Inc. Pension and Profit Sharing Plan, incorporated by reference to Exhibit 10.13 to the Company's 1990 10-K.	
10.11	Amended and Restated Exclusive Marketing Agreement dated as of November 1, 1989 by and among the Company, A.L. Williams & Associates, Inc. and Arthur L. Williams, Jr., incorporated by reference to Exhibit 10.14 to the Company's 1990 10-K.	
10.12	Restated Second Amended General Agency Agreement ("SAGAA") dated as of November 1, 1989 by and among Primerica Life Insurance Company (formerly Massachusetts Indemnity Life Insurance Company; hereinafter "Primerica Life"), A.L. Williams & Associates, Inc. and Arthur L.	

Williams, Jr., incorporated by reference to Exhibit 10.15 to the Company's 1990 10-K.

- 10.13 Restated First Amendment to SAGAA dated as of November 1, 1989 by and among Primerica Life, A.L. Williams & Associates, Inc. and Arthur L. Williams, Jr., incorporated by reference to Exhibit 10.16 to the Company's 1990 10-K.
- 10.14 Restated and Amended Agreement of Charles D. Adams dated as of November 1, 1989 for the benefit of each of the Company, A.L. Williams & Associates, Inc. and The A.L. Williams Corporation, incorporated by reference to Exhibit 10.17 to the Company's 1990 10-K.

<CAPTION> Exhibit Number -----	Description of Exhibit -----	Filing Method -----
<S>	<C>	<C>
10.15	Restated and Amended Agreement of Angela H. Williams dated as of November 1, 1989 for the benefit of each of the Company, A.L. Williams & Associates, Inc. and The A.L. Williams Corporation, incorporated by reference to Exhibit 10.18 to the Company's 1990 10-K.	
10.16.1	Asset Purchase Agreement dated as of March 12, 1993, by and among Shearson Lehman Brothers Inc., SBS, the Company, American Express Company and Shearson Lehman Brothers Holdings Inc. (the "SLB Agreement"), incorporated by reference to Exhibit 10.21 to the Company's 1992 10-K.	
10.16.2	Amendment No. 1, dated as of July 31, 1993, to the SLB Agreement, incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1993 (File No. 1-9924) (the "Company's June 30, 1993 10-Q").	
10.16.3	Amendment No. 2 dated as of July 31, 1993, to the SLB Agreement, incorporated by reference to Exhibit 10.02 to the Company's June 30, 1993 10-Q.	
10.17.1	Employment Agreement dated June 23, 1993, by and among SBS, the Company and Robert F. Greenhill (the "RFG Employment Agreement"), incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1993 (File No. 1-9924) (the "Company's September 30, 1993 10-Q").	
10.17.2	Amendment to the RFG Employment Agreement.	Electronic
10.18	Memorandum of Sale dated June 23, 1993, between the Company and Robert F. Greenhill, incorporated by reference to Exhibit 10.02 to the	

- 10.19 Registration Rights Agreement dated June 23, 1993, between the Company and Robert F. Greenhill, incorporated by reference to Exhibit 10.03 to the Company's September 30, 1993 10-Q.
- 10.20 Restricted Shares Agreement dated June 23, 1993, by and between the Company and Robert F. Greenhill, incorporated by reference to Exhibit 10.04 to the Company's September 30, 1993 10-Q.

<CAPTION> Exhibit Number -----	Description of Exhibit -----	Filing Method -----
<S>	<C>	<C>
10.21	Agreement and Plan of Merger, dated as of September 23, 1993, between the Company and The Travelers Corporation ("old Travelers"), incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of old Travelers, dated September 23, 1993 and filed with the Commission on October 8, 1993 (File No. 1-5799).	
10.22	Agreement dated December 21, 1993 between the Company and Edward H. Budd, incorporated by reference to Exhibit 10.22 to the Company's 1993 10-K.	
10.23	Employment Agreement dated December 31, 1993 between The Travelers Insurance Group Inc. and Richard H. Booth, incorporated by reference to Exhibit 10.23 to the Company's 1993 10-K.	
10.24	Employment Agreement dated December 31, 1993 between The Travelers Insurance Group Inc. and Robert W. Crispin, incorporated by reference to Exhibit 10.24 to the Company's 1993 10-K.	
10.25	The Travelers Corporation 1982 Stock Option Plan, as amended January 10, 1992, incorporated by reference to Exhibit 10(a) to the Annual Report on Form 10-K of old Travelers for the fiscal year ended December 31, 1991 (File No. 1-5799) (the "old Travelers' 1991 10-K").	
10.26	The Travelers Corporation 1988 Stock Incentive Plan, as amended April 7, 1992, incorporated by reference to Exhibit 10(b) to the Annual Report on Form 10-K of old Travelers for the fiscal year ended December 31, 1992 (File No. 1-5799) (the "old Travelers' 1992 10-K").	
10.27	The Travelers Corporation 1984 Management Incentive Plan, as amended effective January 1, 1991, incorporated by reference to Exhibit 10(c) to the Annual Report on Form 10-K of old Travelers for the fiscal year ended December 31, 1990 (File No. 1-5799).	

10.28 The Travelers Corporation Supplemental Benefit Plan, effective December 20, 1992, incorporated by reference to Exhibit 10(d) to the Annual Report on the old Travelers' 1992 10-K.

<CAPTION> Exhibit Number -----	Description of Exhibit -----	Filing Method -----
<S>	<C>	<C>
10.29	The Travelers Corporation TESIP Restoration and Non-Qualified Savings Plan, effective January 1, 1991, incorporated by reference to Exhibit 10(e) to the old Travelers' 1991 10-K.	
10.30	The Travelers Severance Plan of Officers, as amended September 23, 1993, incorporated by reference to Exhibit 10.30 to the Company's 1993 Form 10-K.	
10.31	The Travelers Corporation Directors' Deferred Compensation Plan, as amended November 7, 1986, incorporated by reference to Exhibit 10(d) to the Annual Report on Form 10-K of old Travelers for the fiscal year ended December 31, 1986 (File No. 1-5799).	
11.01	Computation of Earnings Per Share.	Electronic
12.01	Computation of Ratio of Earnings to Fixed Charges.	Electronic
99.01	Fourth paragraph of page 31 of the Company's filing on Form 10-K for the year ended December 31, 1989, and fourth full paragraph of page 26 of the Company's 1991 10-K.	Electronic

The total amount of securities authorized pursuant to any instrument defining rights of holders of long-term debt of the Company does not exceed 10% of the total assets of the Company and its consolidated subsidiaries. The Company will furnish copies of any such instrument to the Securities and Exchange Commission upon request.

</TABLE>

SIGNATURES

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.

The Travelers Inc.

Date: May 13, 1994

By /s/ James Dimon

James Dimon
President and
Chief Financial Officer
(Principal Financial Officer)

Date: May 13, 1994

By /s/ Irwin Ettinger

Irwin Ettinger
Senior Vice President
(Chief Accounting Officer)

<TABLE> <CAPTION>

EXHIBIT INDEX

Exhibit Number -----	Description of Exhibit -----	Filing Method -----
<S>	<C>	<C>
3.01	Restated Certificate of Incorporation of The Travelers Inc. (the "Company") and Certificate of Designation of Cumulative Adjustable Rate Preferred Stock, Series Y.	Electronic
3.02	By-Laws of The Travelers Inc. as amended through April 27, 1994.	Electronic
10.01	Employment Protection Agreement, dated as of December 31, 1987, between the Company (as successor to Commercial Credit Company ("CCC")), and Sanford I. Weill, incorporated by reference to Exhibit 10.03 to CCC's Annual Report on Form 10-K for the fiscal year ended December 31, 1987 (File No. 1-6594).	
10.02.1	Stock Option Plan of the Company, as amended through April 26, 1989, incorporated by reference to Annex A to the prospectus contained in the Company's Registration Statement on Form S-8 (No. 33-29711).	
10.02.2	Amendment to the Company's Stock Option Plan, dated October 23, 1991, incorporated by reference to Exhibit 10.02.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1991 (File No. 1-9924) (the "Company's 1991 10-K").	
10.02.3	Amendments to the Company's Stock Option Plan, approved by the Company's stockholders on April 22, 1992, incorporated by reference to Exhibit 10.02.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 (File No.1-9924) (the "Company's 1992 10-K").	
10.02.4	Amendment to the Company's Stock Option Plan, dated July 22, 1992, incorporated by reference to Exhibit 10.02.4 to the Company's 1992 10-K.	
10.02.5	Amendment No. 11 to the Company's Stock Option Plan, incorporated by reference to Exhibit 10.02.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 (File No. 1-9924) (the "Company's 1993 10-K").	
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10.02.6	Amendment No. 12 to the Company's Stock Option Plan, incorporated by reference to Exhibit 10.02.6 to the Company's 1993 10-K.	
10.03	Retirement Benefit Equalization Plan of the Company (as successor to Primerica Holdings, Inc.), as amended, incorporated by reference to Exhibit 10.03 to the Company's 1993 10-K.	
10.04	Letter Agreement between Joseph A. Califano, Jr. and the Company, dated December 14, 1988, incorporated by reference to Exhibit 10.21.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988 (File No. 1-9924) (the "Company's 1988 10-K").	
10.05.1	The Company's Deferred Compensation Plan for Directors, incorporated by reference to Exhibit 10.21.2 to the Company's 1988 10-K.	
10.05.2	Amendment to the Company's Deferred Compensation Plan for Directors, dated July 22, 1992, incorporated by reference to Exhibit 10.06.2 of the Company's 1992 10-K.	

- 10.06.1 Supplemental Retirement Plan of the Company, incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1990 (File No. 1-9924) (the "Company's 1990 10-K").
- 10.06.2 Amendment to the Company's Supplemental Retirement Plan, incorporated by reference to Exhibit 10.06.2 to the Company's 1993 10-K.
- 10.07 Long-Term Incentive Plan of the Company, as amended, incorporated by reference to Exhibit 10.08 to the Company's 1992 10-K.
- 10.08.1 Capital Accumulation Plan of the Company (the "CAP Plan"), as amended to January 31, 1993, incorporated by reference to Exhibit 10.09 to the Company's 1992 10-K.
- 10.08.2 Amendment No. 8 to the Company's CAP Plan, incorporated by reference to Exhibit 10.08.2 to the Company's 1993 10-K.

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- 10.09.1 Employment Agreement dated as of December 16, 1988 among Smith Barney Shearson Inc. (formerly Smith Barney, Harris Upham & Co. Incorporated; hereinafter "SBS"), the Company and Frank G. Zarb (the "FGZ Employment Agreement"), incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1989 (File No. 1-9924).
- 10.09.2 Assignment Agreement and Amendment No. One to FGZ Employment Agreement, incorporated by reference to Exhibit 10.09.2 to the Company's 1993 10-K.
- 10.10 Restated Stockholder Rights and Support Agreement dated as of November 1, 1989 by and among the Company and Arthur L. Williams, Jr., Angela H. Williams, A.L. Williams & Associates, Inc. and The A.L. Williams & Associates, Inc. Pension and Profit Sharing Plan, incorporated by reference to Exhibit 10.13 to the Company's 1990 10-K.
- 10.11 Amended and Restated Exclusive Marketing Agreement dated as of November 1, 1989 by and among the Company, A.L. Williams & Associates, Inc. and Arthur L. Williams, Jr., incorporated by reference to Exhibit 10.14 to the Company's 1990 10-K.
- 10.12 Restated Second Amended General Agency Agreement ("SAGAA") dated as of November 1, 1989 by and among Primerica Life Insurance Company (formerly Massachusetts Indemnity Life Insurance Company; hereinafter "Primerica Life"), A.L. Williams & Associates, Inc. and Arthur L. Williams, Jr., incorporated by reference to Exhibit 10.15 to the Company's 1990 10-K.
- 10.13 Restated First Amendment to SAGAA dated as of November 1, 1989 by and among Primerica Life, A.L. Williams & Associates, Inc. and Arthur L. Williams, Jr., incorporated by reference to Exhibit 10.16 to the Company's 1990 10-K.
- 10.14 Restated and Amended Agreement of Charles D. Adams dated as of November 1, 1989 for the benefit of each of the Company, A.L. Williams & Associates, Inc. and The A.L. Williams Corporation, incorporated by reference to Exhibit 10.17 to the Company's 1990 10-K.

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- 10.15 Restated and Amended Agreement of Angela H. Williams dated as of November 1, 1989 for the benefit of each of the Company, A.L. Williams & Associates, Inc. and The A.L. Williams Corporation, incorporated by reference to Exhibit 10.18 to the Company's 1990 10-K.

10.16.1	Asset Purchase Agreement dated as of March 12, 1993, by and among Shearson Lehman Brothers Inc., SBS, the Company, American Express Company and Shearson Lehman Brothers Holdings Inc. (the "SLB Agreement"), incorporated by reference to Exhibit 10.21 to the Company's 1992 10-K.	
10.16.2	Amendment No. 1, dated as of July 31, 1993, to the SLB Agreement, incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1993 (File No. 1-9924) (the "Company's June 30, 1993 10-Q").	
10.16.3	Amendment No. 2 dated as of July 31, 1993, to the SLB Agreement, incorporated by reference to Exhibit 10.02 to the Company's June 30, 1993 10-Q.	
10.17.1	Employment Agreement dated June 23, 1993, by and among SBS, the Company and Robert F. Greenhill (the "RFG Employment Agreement"), incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1993 (File No. 1-9924) (the "Company's September 30, 1993 10-Q").	
10.17.2	Amendment to the RFG Employment Agreement.	Electronic
10.18	Memorandum of Sale dated June 23, 1993, between the Company and Robert F. Greenhill, incorporated by reference to Exhibit 10.02 to the Company's September 30, 1993 10-Q.	
10.19	Registration Rights Agreement dated June 23, 1993, between the Company and Robert F. Greenhill, incorporated by reference to Exhibit 10.03 to the Company's September 30, 1993 10-Q.	
10.20	Restricted Shares Agreement dated June 23, 1993, by and between the Company and Robert F. Greenhill, incorporated by reference to Exhibit 10.04 to the Company's September 30, 1993 10-Q.	

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<S> 10.21	Agreement and Plan of Merger, dated as of September 23, 1993, between the Company and The Travelers Corporation ("old Travelers"), incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of old Travelers, dated September 23, 1993 and filed with the Commission on October 8, 1993 (File No. 1-5799).	<C>
10.22	Agreement dated December 21, 1993 between the Company and Edward H. Budd, incorporated by reference to Exhibit 10.22 to the Company's 1993 10-K.	
10.23	Employment Agreement dated December 31, 1993 between The Travelers Insurance Group Inc. and Richard H. Booth, incorporated by reference to Exhibit 10.23 to the Company's 1993 10-K.	
10.24	Employment Agreement dated December 31, 1993 between The Travelers Insurance Group Inc. and Robert W. Crispin, incorporated by reference to Exhibit 10.24 to the Company's 1993 10-K.	
10.25	The Travelers Corporation 1982 Stock Option Plan, as amended January 10, 1992, incorporated by reference to Exhibit 10(a) to the Annual Report on Form 10-K of old Travelers for the fiscal year ended December 31, 1991 (File No. 1-5799) (the "old Travelers' 1991 10-K").	
10.26	The Travelers Corporation 1988 Stock Incentive Plan, as amended April 7, 1992, incorporated by reference to Exhibit 10(b) to the Annual Report on Form 10-K of old Travelers for the fiscal year ended December 31, 1992 (File No. 1-5799) (the "old Travelers' 1992 10-K").	
10.27	The Travelers Corporation 1984 Management Incentive Plan, as amended effective January 1, 1991, incorporated by reference to Exhibit 10(c) to the Annual Report on Form 10-K of old Travelers for the fiscal year ended December 31, 1990 (File No. 1-5799).	
10.28	The Travelers Corporation Supplemental Benefit Plan, effective December	

20, 1992, incorporated by reference to Exhibit 10(d) to the Annual Report on the old Travelers' 1992 10-K.

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10.29	The Travelers Corporation TESIP Restoration and Non-Qualified Savings Plan, effective January 1, 1991, incorporated by reference to Exhibit 10(e) to the old Travelers' 1991 10-K.	
10.30	The Travelers Severance Plan of Officers, as amended September 23, 1993, incorporated by reference to Exhibit 10.30 to the Company's 1993 Form 10-K.	
10.31	The Travelers Corporation Directors' Deferred Compensation Plan, as amended November 7, 1986, incorporated by reference to Exhibit 10(d) to the Annual Report on Form 10-K of old Travelers for the fiscal year ended December 31, 1986 (File No. 1-5799).	
11.01	Computation of Earnings Per Share.	Electronic
12.01	Computation of Ratio of Earnings to Fixed Charges.	Electronic
99.01	Fourth paragraph of page 31 of the Company's filing on Form 10-K for the year ended December 31, 1989, and fourth full paragraph of page 26 of the Company's 1991 10-K.	Electronic

The total amount of securities authorized pursuant to any instrument defining rights of holders of long-term debt of the Company does not exceed 10% of the total assets of the Company and its consolidated subsidiaries. The Company will furnish copies of any such instrument to the Securities and Exchange Commission upon request.

</TABLE>

RESTATED
CERTIFICATE OF INCORPORATION
OF
THE TRAVELERS INC.

The Travelers Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

The name of the corporation is The Travelers Inc. (hereinafter the "Corporation") and the date of filing of its original Certificate of Incorporation with the Delaware Secretary of State is March 8, 1988. The name under which the Corporation filed its Certificate of Incorporation is Commercial Credit Group, Inc.

The text of the Certificate of Incorporation as amended or supplemented heretofore is hereby restated and integrated, but not amended, to read as herein set forth in full:

FIRST: The name of the Corporation is:

THE TRAVELERS INC.

SECOND: The registered office of the Corporation is to be located at the Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, in the county of New Castle, in the State of Delaware. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: A. The total number of shares of Common Stock which the Corporation shall have authority to issue is Five Hundred Million (500,000,000) shares of Common Stock having a par value of one cent (\$.01) per share. The total number of shares of Preferred Stock which the Corporation shall have the authority to issue is Thirty Million (30,000,000) shares having a par value of one dollar (\$1.00) per share.

B. The Board of Directors is authorized, subject to

limitations prescribed by law and the provisions of this Article FOURTH, to provide for the issuance of the shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(i) The number of shares constituting that series and the distinctive designation of that series.

(ii) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(iii) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(iv) Whether that series shall have conversion or exchange privileges, and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board of Directors shall determine;

(v) Whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the manner of selecting shares for redemption if less than all shares are to be redeemed, the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(vi) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(vii) The right of the shares of that series to the benefit of conditions and restrictions upon the creation of indebtedness of the Corporation or any subsidiary, upon the issue of any additional stock (including additional shares of such series or any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Corporation or any subsidiary of any outstanding stock of the Corporation;

(viii) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

(ix) Any other relative, participating, optional or other special rights, qualifications, limitations or restrictions of that series.

C. Dividends on outstanding shares of Preferred Stock shall be paid, or declared and set apart for payment, before any dividends shall be paid or declared and set apart for payment on outstanding shares of Common

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Stock. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the assets available for distribution to holders of shares of Preferred Stock of all series shall be insufficient to pay such holders the full preferential amount to which they are entitled, then such assets shall be distributed ratably among the shares of all series of Preferred Stock in accordance with the respective preferential amounts (including unpaid cumulative dividends, if any) payable with respect thereto.

D. Shares of any series of Preferred Stock which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for shares of stock of any other class or classes shall have the status of authorized and unissued shares of Preferred Stock of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors or as part of any other series of Preferred Stock, all subject to the conditions and the restrictions on issuance set forth in the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of Preferred Stock.

E. Subject to the provisions of any applicable law or except as otherwise provided by the resolution or resolutions providing for the issue of any series of Preferred Stock, the holders of outstanding shares of Common Stock shall exclusively possess voting power for the election of directors and for all other purposes, each holder of record of shares of Common Stock being entitled to one vote for each share of Common Stock standing in his name on the books of the Corporation.

F. Except as otherwise provided by the resolution or resolutions providing for the issue of any series of Preferred Stock, after payment shall have been made to the holders of Preferred Stock of the full amount

of dividends to which they shall be entitled pursuant to the resolution or resolutions providing for the issue of any series of Preferred Stock, the holders of Common Stock shall be entitled, to the exclusion of the holders of Preferred Stock of any and all series, to receive such dividends as from time to time may be declared by the Board of Directors.

G. Except as otherwise provided by the resolution or resolutions providing for the issue of any series of Preferred Stock, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment shall have been made to the holders of Preferred Stock of the full amount to which they shall be entitled pursuant to the resolution or resolutions providing for the issue of any series of Preferred Stock, the holders of Common Stock shall be entitled, to the exclusion of the holders of Preferred Stock of any and all series, to share ratably according to the number of shares of Common Stock held by them, in all remaining assets of the Corporation available for distribution.

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H. The issuance of any shares of Common Stock or Preferred Stock authorized hereunder and any other actions permitted to be taken by the Board of Directors pursuant to this Article FOURTH must be authorized by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the entire Board of Directors or by a committee of the Board of Directors constituted by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the entire Board of Directors.

I. Notwithstanding any other provision of this Certificate of Incorporation, the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the shares entitled to vote at an election of directors shall be required to amend, alter, change or repeal, or adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of, section B through I of this Article FOURTH.

J. 8.125% CUMULATIVE PREFERRED STOCK, SERIES A

1. Designation and Number of Shares. The designation of such series shall be 8.125% Cumulative Preferred Stock, Series A (the "Series A Preferred Stock"), and the number of shares constituting such series shall be 1,200,000. The number of authorized shares of Series A Preferred Stock may be reduced (but not below the number of shares thereof then outstanding) by further resolution duly adopted by the Board of Directors or the Executive Committee and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such reduction has been so authorized, but the number of

authorized shares of Series A Preferred Stock shall not be increased.

2. Dividends. Dividends on each share of Series A Preferred Stock shall be cumulative from the date of original issue of such share and shall be payable, when and as declared by the Board of Directors out of funds legally available therefor, in cash on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1992.

Each quarterly period beginning on February 15, May 15, August 15 and November 15 in each year and ending on and including the day next preceding the first day of the next such quarterly period shall be a "Dividend Period." If a share of Series A Preferred Stock is outstanding during an entire Dividend Period, the dividend payable on such share on the first day of the calendar month immediately following the last day of such Dividend Period shall be \$5.078125 (or one-fourth of 8.125% of the Liquidation Preference (as defined in Section 7) for such share). If a share of Series A Preferred Stock is outstanding for less than an entire Dividend Period, the dividend payable on such share on the first day of the calendar month immediately following the last day of such Dividend Period on which such share shall be outstanding shall be the product of \$5.078125 multiplied by the ratio (which shall not exceed one) that the number of days that such share was outstanding during such Dividend Period bears to the number of days in such Dividend Period.

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Each dividend on the shares of Series A Preferred Stock shall be paid to the holders of record of shares of Series A Preferred Stock as they appear on the stock register of the Corporation on such record date, not more than 60 days nor less than 10 days preceding the payment date of such dividend, as shall be fixed in advance by the Board of Directors. Dividends on account of arrears for any past Dividend Periods may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed in advance by the Board of Directors.

If there shall be outstanding shares of any other class or series of preferred stock of the Corporation ranking on a parity as to dividends with the Series A Preferred Stock, the Corporation, in making any dividend payment on account of arrears on the Series A Preferred Stock or such other class or series of preferred stock, shall make payments ratably upon all outstanding shares of Series A Preferred Stock and such other class or series of preferred stock in proportion to the respective amounts of dividends in arrears upon all such outstanding shares of Series A Preferred Stock and such other class or series of preferred stock to the date of such dividend payment.

Holders of shares of Series A Preferred Stock shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends on such shares. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment that is in arrears.

3. Redemption. The Series A Preferred Stock is not subject to any mandatory redemption pursuant to a sinking fund or otherwise. The Corporation, at its option, may redeem shares of Series A Preferred Stock, as a whole or in part, at any time or from time to time on or after July 28, 1997, at a price of \$250 per share, plus accrued and accumulated but unpaid dividends thereon to but excluding the date fixed for redemption (the "Redemption Price").

If the Corporation shall redeem shares of Series A Preferred Stock pursuant to this Section 3, notice of such redemption shall be given by first class mail, postage prepaid, not less than 30 or more than 90 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as shown on the stock register of the Corporation. Each such notice shall state: (a) the redemption date; (b) the number of shares of Series A Preferred Stock to be redeemed and, if less than all such shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (c) the Redemption Price; (d) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (e) that dividends on the shares to be redeemed will cease to accrue on such redemption date. Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the payment of the Redemption Price) dividends on the shares of Series A Preferred Stock so called for redemption shall cease to accrue, and such shares shall no longer be deemed to be outstanding, and all rights of the

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holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the Redemption Price) shall cease. Upon surrender in accordance with such notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors shall so require and the notice shall so state), the Corporation shall redeem such shares at the Redemption Price. If less than all the outstanding shares of Series A Preferred Stock are to be redeemed, the Corporation shall select those shares to be redeemed from outstanding shares of Series A Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Board of Directors to be equitable.

The Corporation shall not redeem less than all the outstanding shares of Series A Preferred Stock pursuant to this Section 3, or purchase or acquire any shares of Series A Preferred Stock otherwise than pursuant

to a purchase or exchange offer made on the same terms to all holders of shares of Series A Preferred Stock, unless full cumulative dividends shall have been paid or declared and set apart for payment upon all outstanding shares of Series A Preferred Stock for all past Dividend Periods, and unless all matured obligations of the Corporation with respect to all sinking funds, retirement funds or purchase funds for all series of Preferred Stock then outstanding have been met.

4. Shares to be Retired. All shares of Series A Preferred Stock redeemed by the Corporation shall be retired and canceled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be reissued.

5. Conversion or Exchange. The holders of shares of Series A Preferred Stock shall not have any rights to convert any such shares into or exchange any such shares for shares of any other class or series of capital stock of the Corporation.

6. Voting. Except as otherwise provided in this Section 6 or as otherwise required by law, the Series A Preferred Stock shall have no voting rights.

If six quarterly dividends (whether or not consecutive) payable on shares of Series A Preferred Stock are in arrears at the time of the record date to determine stockholders for any annual meeting of stockholders of the Corporation, the number of directors of the Corporation shall be increased by two, and the holders of shares of Series A Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) shall be entitled at such annual meeting of stockholders to elect two directors of the Corporation, with the remaining directors of the Corporation to be elected by the holders of shares of any other class or classes or series of stock entitled to vote therefor. In any such election, holders of shares of Series A Preferred Stock shall have one vote for each share held.

At all meetings of stockholders at which holders of Preferred Stock shall be entitled to vote for Directors as a single class, the holders of a majority of the outstanding shares of all classes and series of capital stock of the Corporation having the right to vote as a single class shall be necessary to constitute a quorum, whether present in person or by proxy, for the election by such single class of its designated Directors. In any election of Directors by stockholders voting as a class, such Directors shall be elected by the vote of at least a plurality of shares held by such stockholders present or represented at the meeting. At

any such meeting, the election of Directors by stockholders voting as a class shall be valid notwithstanding that a quorum of other stockholders voting as one or more classes may not be present or represented at such meeting.

Any director who has been elected by the holders of shares of Series A Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) may be removed at any time, with or without cause, only by the affirmative vote of the holders of the shares at the time entitled to cast a majority of the votes entitled to be cast for the election of any such director at a special meeting of such holders called for that purpose, and any vacancy thereby created may be filled by the vote of such holders. If a vacancy occurs among the Directors elected by such stockholders voting as a class, other than by removal from office as set forth in the preceding sentence, such vacancy may be filled by the remaining Director so elected, or his successor then in office, and the Director so elected to fill such vacancy shall serve until the next meeting of stockholders for the election of Directors.

The voting rights of the holders of the Series A Preferred Stock to elect Directors as set forth above shall continue until all dividend arrearages on the Series A Preferred Stock have been paid or declared and set apart for payment. Upon the termination of such voting rights, the terms of office of all persons who may have been elected pursuant to such voting rights shall immediately terminate, and the number of directors of the Corporation shall be decreased by two.

Without the consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of the total number of shares of Preferred Stock then outstanding, voting separately as a class without regard to series, with the holders of shares of Series A Preferred Stock being entitled to cast one vote per share, the Corporation may not:

(i) create any class of stock that shall have preference as to dividends or distributions of assets over the Series A Preferred Stock; or

(ii) alter or change the provisions of the Certificate of Incorporation (including any Certificate of Amendment or Certificate of Designation relating to the Series A Preferred

Stock) so as to adversely affect the powers, preferences or rights of the holders of shares of Series A Preferred Stock;

provided, however, that if such creation or such alteration or change would adversely affect the powers, preferences or rights of one or more, but not all, series of Preferred Stock at the time outstanding, such alteration or change shall require consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of all of the shares of all such series so affected, voting as a class.

7. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to stockholders, before any distribution of assets shall be made to the holders of the Common Stock or of any other shares of stock of the Corporation ranking as to such distribution junior to the Series A Preferred Stock, a liquidating distribution in an amount equal to \$250 per share (the "Liquidation Preference") plus an amount equal to any accrued and accumulated but unpaid dividends thereon to the date of final distribution. The holders of the Series A Preferred Stock shall not be entitled to receive the Liquidation Preference and such accrued dividends, however, until the liquidation preference of any other class of stock of the Corporation ranking senior to the Series A Preferred Stock as to rights upon liquidation, dissolution or winding up shall have been paid (or a sum set aside therefor sufficient to provide for payment) in full.

If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the assets available for distribution are insufficient to pay in full the amounts payable with respect to the Series A Preferred Stock and any other shares of stock of the Corporation ranking as to any such distribution on a parity with the Series A Preferred Stock, the holders of the Series A Preferred Stock and of such other shares shall share ratably in any distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled.

After payment to the holders of the Series A Preferred Stock of the full preferential amounts provided for in this Section 7, the holders of the Series A Preferred Stock shall be entitled to no further participation in any distribution of assets by the Corporation.

Consolidation or merger of the Corporation with or into one or more other corporations, or a sale, whether for cash, shares of stock, securities or properties, of all or substantially all of the assets of the Corporation, shall not be deemed or construed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 7 if the preferences or special voting rights of the holders of shares of Series A Preferred Stock are not impaired thereby.

8. Limitation on Dividends on Junior Stock. So long as any Series A Preferred Stock shall be outstanding the Corporation shall not

declare any dividends on the Common Stock or any other stock of the Corporation ranking as to dividends or distributions of assets junior to the Series A Preferred Stock (the Common Stock and any such other stock being herein referred to as "Junior Stock"), or make any payment on account of, or set apart money for, a sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Junior Stock, or make any distribution in respect thereof, whether in cash or property or in obligations or stock of the Corporation, other than a distribution of Junior Stock (such dividends, payments, setting apart and distributions being herein called "Junior Stock Payments"), unless the following conditions shall be satisfied at the date of such declaration in the case of any such dividend, or the date of such setting apart in the case of any such fund, or the date of such payment or distribution in the case of any other Junior Stock Payment:

(i) full cumulative dividends shall have been paid or declared and set apart for payment on all outstanding shares of Preferred Stock other than Junior Stock; and

(ii) the Corporation shall not be in default or in arrears with respect to any sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Preferred Stock other than Junior Stock;

provided, however, that any funds theretofore deposited in any sinking fund or other similar fund with respect to any Preferred Stock in compliance with the provisions of such sinking fund or other similar fund may thereafter be applied to the purchase or redemption of such Preferred Stock in accordance with the terms of such sinking fund or other similar fund regardless of whether at the time of such application full cumulative dividends upon shares of Series A Preferred Stock outstanding to the last dividend payment date shall have been paid or declared and set apart for payment by the Corporation.

K. 5.50% CONVERTIBLE PREFERRED STOCK, SERIES B

1. Designation and Number of Shares. The designation of such series shall be 5.50% Convertible Preferred Stock, Series B (the "Series B Convertible Preferred Stock"), and the number of shares constituting such series shall be 2,500,000. The number of authorized shares of Series B Convertible Preferred Stock may be reduced (but not below the number of shares thereof then outstanding) by further resolution duly adopted by the Board of Directors or the Executive Committee and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such reduction has been so authorized, but the number of authorized shares of Series B Convertible Preferred Stock shall not be increased.

2. Dividends. Dividends on each share of Series B Convertible Preferred Stock shall be cumulative from the date of original issue of such share and shall be payable, when and as declared by the Board of Directors

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out of funds legally available therefor, in cash on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1993.

Each quarterly period beginning on February 15, May 15, August 15 and November 15 in each year and ending on and including the day next preceding the first day of the next such quarterly period shall be a "Dividend Period." If a share of Series B Convertible Preferred Stock is outstanding during an entire Dividend Period, the dividend payable on such share on the first day of the calendar month immediately following the last day of such Dividend Period shall be \$.6875 (or one-fourth of 5.50% of the Liquidation Preference (as defined in Section 6) for such share). If a share of Series B Convertible Preferred Stock is outstanding for less than an entire Dividend Period, the dividend payable on such share on the first day of the calendar month immediately following the last day of such Dividend Period on which such share shall be outstanding shall be the product of \$.6875 multiplied by the ratio (which shall not exceed one) that the number of days that such share was outstanding during such Dividend Period bears to the number of days in such Dividend Period.

Each dividend on the shares of Series B Convertible Preferred Stock shall be paid to the holders of record of shares of Series B Convertible Preferred Stock as they appear on the stock register of the Corporation on such record date, not more than 60 days nor less than 10 days preceding the payment date of such dividend, as shall be fixed in advance by the Board of Directors. Dividends on account of arrears for any past Dividend Periods may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed in advance by the Board of Directors.

If there shall be outstanding shares of any other class or series of preferred stock of the Corporation ranking on a parity as to dividends with the Series B Convertible Preferred Stock, the Corporation, in making any dividend payment on account of arrears on the Series B Convertible Preferred Stock or such other class or series of preferred stock, shall make payments ratably upon all outstanding shares of Series B Convertible Preferred Stock and such other class or series of preferred stock in proportion to the respective amounts of dividends in arrears upon all such outstanding shares of Series B Convertible Preferred Stock and such other class or series of preferred stock to the date of such dividend payment.

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Holders of shares of Series B Convertible Preferred Stock shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends on such shares. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment that is in arrears.

3. Redemption. The Series B Convertible Preferred Stock is not subject to any mandatory redemption pursuant to a sinking fund or otherwise. The Corporation, at its option, may redeem shares of Series B Convertible Preferred Stock, as a whole or in part, at any time or from

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time to time on or after July 30, 1996 at the following redemption prices per share (expressed as a percentage of the Liquidation Preference (as defined in Section 6 hereof)), if redeemed during the 12-month period beginning July 30 of the year indicated:

Year	Redemption Price
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1996	103.85%
1997	103.30%
1998	102.75%
1999	102.20%
2000	101.65%
2001	101.10%
2002	100.55%

and thereafter at a price of \$50.00 per share, plus, in each case, accrued and accumulated but unpaid dividends thereon to but excluding the date fixed for redemption (the "Redemption Price").

If the Corporation shall redeem shares of Series B Convertible Preferred Stock pursuant to this Section 3, notice of such redemption shall be given by first class mail, postage prepaid, not less than 30 or more than 90 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as shown on the stock register of the Corporation. Each such notice shall state: (a) the redemption date; (b) the number of shares of Series B Convertible Preferred Stock to be redeemed and, if less than all such shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (c) the Redemption Price; (d) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (e) that dividends on the shares to be redeemed will cease to accrue on such redemption date. Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the payment of the Redemption Price) dividends on the shares of Series B Convertible Preferred Stock so called

for redemption shall cease to accrue, and such shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the Redemption Price) shall cease. Upon surrender in accordance with such notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors shall so require and the notice shall so state), the Corporation shall redeem such shares at the Redemption Price. If less than all the outstanding shares of Series B Convertible Preferred Stock are to be redeemed, the Corporation shall select those shares to be redeemed from outstanding shares of Series B Convertible Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method reasonably determined by the Board of Directors in good faith to be equitable.

The Corporation shall not redeem less than all the outstanding shares of Series B Convertible Preferred Stock pursuant to this Section 3, or purchase or acquire any shares of Series B Convertible Preferred Stock

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otherwise than pursuant to a purchase or exchange offer made on the same terms to all holders of shares of Series B Convertible Preferred Stock, unless full cumulative dividends shall have been paid or declared and set apart for payment upon all outstanding shares of Series B Convertible Preferred Stock for all past Dividend Periods, and unless all matured obligations of the Corporation with respect to all sinking funds, retirement funds or purchase funds for all series of Preferred Stock then outstanding have been met.

4. Shares to be Retired. All shares of Series B Convertible Preferred Stock redeemed by the Corporation shall be retired and canceled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be reissued.

5. Voting. Except as otherwise provided in this Section 5 or as otherwise required by law, the Series B Convertible Preferred Stock shall have no voting rights.

If six quarterly dividends (whether or not consecutive) payable on shares of Series B Convertible Preferred Stock are in arrears at the time of the record date to determine stockholders for any annual meeting of stockholders of the Corporation, the number of directors of the Corporation shall be increased by two, and the holders of shares of Series B Convertible Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) shall be entitled at such annual meeting of stockholders to elect two directors of the

Corporation, with the remaining directors of the Corporation to be elected by the holders of shares of any other class or classes or series of stock entitled to vote therefor. In any such election, holders of shares of Series B Convertible Preferred Stock shall have one vote for each share held.

At all meetings of stockholders at which holders of Preferred Stock shall be entitled to vote for Directors as a single class, the holders of a majority of the outstanding shares of all classes and series of capital stock of the Corporation having the right to vote as a single class shall be necessary to constitute a quorum, whether present in person or by proxy, for the election by such single class of its designated Directors. In any election of Directors by stockholders voting as a class, such Directors shall be elected by the vote of at least a plurality of shares held by such stockholders present or represented at the meeting. At any such meeting, the election of Directors by stockholders voting as a class shall be valid notwithstanding that a quorum of other stockholders voting as one or more classes may not be present or represented at such meeting.

Any director who has been elected by the holders of shares of Series B Convertible Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) may be

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removed at any time, with or without cause, only by the affirmative vote of the holders of the shares at the time entitled to cast a majority of the votes entitled to be cast for the election of any such director at a special meeting of such holders called for that purpose, and any vacancy thereby created may be filled by the vote of such holders. If a vacancy occurs among the Directors elected by such stockholders voting as a class, other than by removal from office as set forth in the preceding sentence, such vacancy may be filled by the remaining Director so elected, or his successor then in office, and the Director so elected to fill such vacancy shall serve until the next meeting of stockholders for the election of Directors.

The voting rights of the holders of the Series B Convertible Preferred Stock to elect Directors as set forth above shall continue until all dividend arrearages on the Series B Convertible Preferred Stock have been paid or declared and set apart for payment. Upon the termination of such voting rights, the terms of office of all persons who may have been elected pursuant to such voting rights shall immediately terminate, and the number of directors of the Corporation shall be decreased by two.

Without the consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of the

total number of shares of Preferred Stock then outstanding, voting separately as a class without regard to series, with the holders of shares of Series B Convertible Preferred Stock being entitled to cast one vote per share, the Corporation may not:

(i) create any class of stock that shall have preference as to dividends or distributions of assets over the Series B Convertible Preferred Stock; or

(ii) alter or change the provisions of the Certificate of Incorporation (including any Certificate of Amendment or Certificate of Designation relating to the Series B Convertible Preferred Stock) so as to adversely affect the powers, preferences or rights of the holders of shares of Series B Convertible Preferred Stock;

provided, however, that if such creation or such alteration or change would adversely affect the powers, preferences or rights of one or more, but not all, series of Preferred Stock at the time outstanding, such alteration or change shall require consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of all of the shares of all such series so affected, voting as a class.

6. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, voluntary or involuntary, the holders of Series B Convertible Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to stockholders, before any distribution of assets shall be made to the holders of the Common Stock or of any other shares of stock of the Corporation ranking as to such distribution junior to the Series B Convertible Preferred Stock, a liquidating distribution in an amount equal to

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\$50.00 per share (the "Liquidation Preference") plus an amount equal to any accrued and accumulated but unpaid dividends thereon to the date of final distribution. The holders of the Series B Convertible Preferred Stock shall not be entitled to receive the Liquidation Preference and such accrued dividends, however, until the liquidation preference of any other class of stock of the Corporation ranking senior to the Series B Convertible Preferred Stock as to rights upon liquidation, dissolution or winding up shall have been paid (or a sum set aside therefor sufficient to provide for payment) in full.

If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the assets available for distribution are insufficient to pay in full the amounts payable with respect to the Series B Convertible Preferred Stock and any other shares of stock of the Corporation ranking as to any such distribution on a parity with the Series

B Convertible Preferred Stock, the holders of the Series B Convertible Preferred Stock and of such other shares shall share ratably in any distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled.

After payment to the holders of the Series B Convertible Preferred Stock of the full preferential amounts provided for in this Section 6, the holders of the Series B Convertible Preferred Stock shall be entitled to no further participation in any distribution of assets by the Corporation.

Consolidation or merger of the Corporation with or into one or more other corporations, or a sale, whether for cash, shares of stock, securities or properties, of all or substantially all of the assets of the Corporation, shall not be deemed or construed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 6 if the preferences or special voting rights of the holders of shares of Series B Convertible Preferred Stock are not impaired thereby.

7. Limitation on Dividends on Junior Stock. So long as any Series B Convertible Preferred Stock shall be outstanding, the Corporation shall not declare any dividends on the Common Stock or any other stock of the Corporation ranking as to dividends or distributions of assets junior to the Series B Convertible Preferred Stock (the Common Stock and any such other stock being herein referred to as "Junior Stock"), or make any payment on account of, or set apart money for, a sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Junior Stock, or make any distribution in respect thereof, whether in cash or property or in obligations or stock of the Corporation, other than a distribution of Junior Stock (such dividends, payments, setting apart and distributions being herein called "Junior Stock Payments"), unless the following conditions shall be satisfied at the date of such declaration in the case of any such dividend, or the date of such setting apart in the case of any such fund, or the date of such payment or distribution in the case of any other Junior Stock Payment:

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(i) full cumulative dividends shall have been paid or declared and set apart for payment on all outstanding shares of Preferred Stock other than Junior Stock; and

(ii) the Corporation shall not be in default or in arrears with respect to any sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Preferred Stock other than Junior Stock;

provided, however, that any funds theretofore deposited in any sinking fund or other similar fund with respect to any Preferred Stock in compliance with the provisions of such sinking fund or other similar fund may thereafter be applied to the purchase or redemption of such Preferred Stock in accordance with the terms of such sinking fund or other similar fund regardless of whether at the time of such application full cumulative dividends upon shares of Series B Convertible Preferred Stock outstanding to the last dividend payment date shall have been paid or declared and set apart for payment by the Corporation.

8. Conversion Rights. The shares of Series B Convertible Preferred Stock shall be convertible, in whole or in part, at the option of the holder(s) thereof, into shares of Common Stock subject to the following terms and conditions:

(a) The shares of Series B Convertible Preferred Stock shall be convertible at the office of any transfer agent of the Corporation, and at such other office or offices, if any, as the Board of Directors may designate, into fully paid and nonassessable shares (calculated as to each conversion to the nearest 1/100 of a share) of common stock, \$.01 par value per share, of the Corporation ("Common Stock") at the rate of that number of shares of Common Stock for each share of Series B Convertible Preferred Stock that is equal to \$50.00 divided by the Conversion Price applicable per share of Common Stock at the time of conversion (the "Conversion Price"). The Conversion Price shall initially be \$49.00. The Conversion Price shall be adjusted in certain instances as provided below.

(b) In order to convert shares of Series B Convertible Preferred Stock into Common Stock, the holder thereof shall surrender the certificate or certificates evidencing such shares of Series B Convertible Preferred Stock at the office of the transfer agent for the Series B Convertible Preferred Stock, which certificate or certificates, if the Corporation shall so require, shall be duly endorsed to the Corporation or in blank, or accompanied by proper instruments of transfer to the Corporation or in blank, accompanied by (i) an irrevocable written notice to the Corporation that the holder elects so to convert such shares of Series B Convertible Preferred Stock and specifying the name or names (with address or addresses) in which a certificate or certificates evidencing shares of Common Stock are to be issued and (ii) if required pursuant to paragraph (p)

of this Section 8, an amount sufficient to pay any transfer or similar tax (or evidence reasonably satisfactory to the Corporation demonstrating that such taxes have been paid).

A payment or adjustment shall not be made by the Corporation upon any conversion on account of any dividends accrued on the shares of Series B Convertible Preferred Stock surrendered for conversion or on account of any dividends on the Common Stock issued upon conversion.

Shares of Series B Convertible Preferred Stock shall be deemed to have been converted immediately prior to the close of business on the day of the surrender of such shares for conversion in accordance with the foregoing provisions, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date, the Corporation shall issue and shall deliver at such office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with payment in lieu of any fraction of a share, as hereinafter provided, to the person or persons entitled to receive the same. In case shares of Series B Convertible Preferred Stock are called for redemption, the right to convert such shares shall cease and terminate at the close of business on the date fixed for redemption, unless default shall be made in payment of the Redemption Price.

(c) In case the Corporation shall pay or make a dividend or other distribution on any class of capital stock of the Corporation in Common Stock, the Conversion Price in effect at the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be reduced to a price determined by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective at the opening of business on the day following the date fixed for such determination. In the event that such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such date fixed for the determination of stockholders entitled to receive such dividend or other distribution had not been fixed, but such subsequent adjustment shall not affect the number of shares of Common Stock issued upon any conversion of the Series B Convertible Preferred Stock prior to the date such subsequent adjustment is made. For the purposes of this paragraph (c), the number of shares of Common Stock at any time

outstanding shall not include shares held in the treasury of the Corporation, but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

(d) In case the Corporation shall issue rights or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Average Market Price (as defined below) of Common Stock on the date fixed for the determination of stockholders entitled to receive such rights or warrants, the Conversion Price in effect at the close of business on the date fixed for such determination shall be reduced to a price determined by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such Average Market Price and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such reduction to become effective at the opening of business on the day following the date fixed for such determination. To the extent that shares of Common Stock are not delivered after the expiration of such rights or warrants, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. In the event that such rights or warrants are not so issued, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if the date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed, but such subsequent adjustment shall not affect the number of shares of Common Stock issued upon any conversion of the Series B Convertible Preferred Stock prior to the date such subsequent adjustment is made. For the purposes of this paragraph (d), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation, but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. As used herein the term "Average Market Price" of the Common Stock shall mean the average of the daily reported closing sales prices, regular way, per share of the Common Stock on the New York Stock Exchange (the "NYSE") or, if

the Common Stock is not principally traded on the NYSE, such other market on which the Common Stock is listed or principally traded, for the 10 consecutive trading days prior to the date of determination.

(e) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Price in effect at the close of business on the date upon which such subdivision becomes effective shall be proportionately reduced, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Conversion Price in effect at the close of business on the date upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective at the opening of business on the day following the date upon which such subdivision or combination becomes effective.

(f) In case the Corporation shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness or assets (including securities, but excluding (i) any rights or warrants referred to in paragraph (d) of this Section 8, (ii) any dividend or distribution paid in cash or other property out of the retained earnings of the Corporation and (iii) any dividend or distribution referred to in paragraph (c) of this Section 8), then either (at the option of the Corporation) (A) the Corporation shall elect to include in such distribution the holders of Series B Convertible Preferred Stock (as of the record date for such distribution) as if such holders had converted all shares of Series B Convertible Preferred Stock into Common Stock immediately prior to such record date (such conversion assumed to be made at the Conversion Price in effect without regard to the adjustment provided in the following clause (B)), or (B) the Conversion Price shall be reduced to a price determined by multiplying the Conversion Price in effect at the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the Average Market Price per share of the Common Stock on the date fixed for such determination less the then fair market value (as reasonably determined in good faith by the Board of Directors) on such date of the portion of the assets or evidences of indebtedness so to be distributed applicable to one share of Common Stock and the denominator shall be such Average Market Price per share of the Common Stock, such adjustment to become effective at the opening of business on the day following the date fixed for the

determination of stockholders entitled to receive such distribution. In the event that such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such date fixed for the determination of stockholders entitled to receive such dividend or other distribution had not been fixed, but such subsequent adjustment shall not affect the number of shares of Common Stock issued upon any conversion of the Series B Convertible Preferred Stock prior to the date such subsequent adjustment is made. If the Corporation makes an election under clause (A) of this paragraph (f) with respect to

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any such distribution payable on the Series B Convertible Preferred Stock (an "Elected Corporation Dividend"), the Corporation may in lieu of such distribution elect to pay to the holder of any share of Series B Convertible Preferred Stock the fair market value (determined as provided above) of such Elected Corporation Dividend in cash (the "Cash Equivalent").

(g) The reclassification (including any reclassification upon a consolidation or merger in which the Corporation is the continuing corporation, but not including any transactions for which an adjustment is provided in paragraph (i) below) of Common Stock into securities including other than Common Stock shall be deemed to involve (i) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and "the date fixed for such determination" within the meaning of paragraph (f) of this Section 8) and (ii) a subdivision or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the date upon which such subdivision becomes effective" or "the day upon which such combination becomes effective," as the case may be, and "the date upon which such subdivision or combination becomes effective" within the meaning of paragraph (e) of this Section 8).

(h) The Corporation may make such reductions in the Conversion Price, in addition to those required by paragraphs (c), (d), (e), (f) and (g) above, as it considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(i) In case of any consolidation of the Corporation with, or merger of the Corporation into, any other corporation, partnership, joint venture, association or other entity (a "Person"), any merger of another Person into the Corporation (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock) or any sale or transfer of all or substantially all of the assets of the Corporation, then each share of Series B Convertible Preferred Stock shall be convertible only into the kind and amount (if any) of securities, cash or other property receivable upon such consolidation, merger, sale or transfer by a holder of the number of shares of Common Stock into which such share of Series B Convertible Preferred Stock was convertible immediately prior to such consolidation, merger, sale or transfer. The above provisions of this paragraph (i) shall similarly apply to successive consolidations, mergers, sales or transfers.

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(j) No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price; provided, however, that any adjustments which by reason of this subparagraph (j) are not required to be made shall be carried forward and taken into account in determining whether any subsequent adjustment shall be required.

(k) Notwithstanding any other provision of this Section 8, no adjustment to the Conversion Price shall reduce the Conversion Price below the then par value per share of the Common Stock, and any such purported adjustment shall instead reduce the Conversion Price to such par value.

(l) Whenever the Conversion Price is adjusted as herein provided the Corporation shall compute the adjusted Conversion Price in accordance with this Section 8 and shall prepare a certificate signed by the Treasurer of the Corporation setting forth the adjusted Conversion Price and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be filed with the transfer agent or agents for the Series B Convertible Preferred Stock and a copy mailed as soon as practicable to the holders of record of the shares of Series B Convertible Preferred Stock.

(m) In case:

(i) the Corporation shall declare a dividend (or any other distribution) on its Common Stock payable otherwise

than in cash out of its retained earnings; or

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

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

(iv) of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then, in any such case, the Corporation shall cause to be filed with the transfer agent or agents, if any, for the Series B Convertible Preferred Stock, and shall cause to be mailed to the holders of record of the outstanding shares of Series B Convertible Preferred Stock, at least 30 days (or 15 days in any case

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specified in clause (i) or (ii) above) prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights or warrants are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up (but no failure to mail such notice or any defect therein or in the mailing thereof shall affect the validity of the corporate action required to be specified in such notice).

(n) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of shares of Series B Convertible Preferred Stock, the full number of shares of Common Stock then deliverable upon

the conversion of all shares of Series B Convertible Preferred Stock then outstanding.

(o) No fractional shares of Common Stock shall be issued upon conversion, but, instead of any fraction of a share which would otherwise be issuable, the Corporation shall pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the market price per share of Common Stock (as determined in good faith by the Board of Directors or in any manner prescribed by the Board of Directors) at the close of business on the day of conversion.

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

(q) For the purpose of this Section 8, the term "Common Stock" shall include any stock of any class of the Corporation which has no preference in respect of dividends or of amounts

payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which is not subject to redemption by the Corporation. However, shares issuable on conversion of shares of Series B Convertible Preferred Stock shall include only shares of the class designated as Common Stock of the Corporation as of July 31, 1993, or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which are not subject to redemption by the Corporation; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

(r) In any case in which this Section 8 shall require that an adjustment shall become effective on the day following a record date for an event, the Corporation may defer until the occurrence of such event (i) issuing to the holder of any share of Series B Convertible Preferred Stock, if such share is converted after such record date and before the occurrence of such event, the additional Common Stock (and associated Elected Corporation Dividend or Cash Equivalent, if any) issuable upon such conversion by reason of the adjustment required by such event over and above Common Stock (and associated Elected Corporation Dividend or Cash Equivalent, if any) issuable upon such conversion before giving effect to such adjustment and (ii) paying to such holders any amount in cash in lieu of a fractional share of Common Stock pursuant to paragraph (p) of this Section 8; provided that upon request of any such holder, the Corporation shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional Common Stock and such cash, upon the occurrence of the event requiring such adjustment.

9. Sinking Fund. The Series B Convertible Preferred Stock shall not be subject to any right of mandatory payment or prepayment (except for liquidation, dissolution or winding up of the Corporation) or to any sinking fund.

10. Ranking. The Series B Convertible Preferred Stock shall rank on a parity with the Corporation's 8.125% Cumulative Preferred Stock, Series A and \$45,000 Cumulative Redeemable Preferred Stock, Series Z with respect to dividends and distributions of assets upon liquidation, dissolution or winding up of the Corporation.

11. Exchanges. Certificates representing shares of Series B Convertible Preferred Stock shall be exchangeable, at the option of the holder, for a new certificate or certificates of the same or different

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denominations representing in the aggregate the same number of shares of Series B Convertible Preferred Stock.

L. § 4.53 ESOP CONVERTIBLE PREFERRED STOCK, SERIES C

1. Designation, Issuance and Transfer. (a) There shall be a series of Preferred Stock, the designation of which shall be "\$4.53 ESOP Convertible Preferred Stock, Series C" (hereinafter called the "Series C Preferred Stock") and the number of authorized shares constituting the Series C Preferred Stock shall be eight million (8,000,000). Shares of the Series C

Preferred Stock shall have a stated value of \$53.25 per share. The number of authorized shares of the Series C Preferred Stock may be reduced by resolution duly adopted by the Board of Directors, or by a duly authorized committee thereof, and by the filing, pursuant to the provisions of the General Corporation Law of the State of Delaware, of a certificate of amendment to the Certificate of Incorporation of the Corporation, as theretofore amended, stating that such reduction has been so authorized, but the number of authorized shares of the Series C Preferred Stock shall not be increased.

(b) Shares of Series C Preferred Stock shall be issued only to Shawmut Bank Connecticut, National Association, as trustee (the "Trustee") acting on behalf of the employee stock ownership feature of The Travelers Savings, Investment and Stock Ownership Plan, as amended from time to time or any successor to such plan (the "Plan"), or any successor trustee under the Plan. In the event of any transfer of shares of Series C Preferred Stock to any person other than the Trustee, other than a pledge of the shares of Series C Preferred Stock by the Trust in connection with the financing or refinancing of the purchase by the Trustee of shares of \$4.53 Series A ESOP Convertible Preference Stock (without par value) of The Travelers Corporation (the "Series A Preference Stock"; such shares of Series A Preference Stock having been assumed by the Corporation and become shares of Series C Preferred Stock pursuant to the terms of such Series A Preference Stock) or of shares of Series C Preferred Stock, the shares of the Series C Preferred Stock so transferred, upon such transfer and without any further action by the Corporation or the holder, shall be automatically converted into shares of Common Stock on the terms otherwise provided for the conversion of shares of Series C Preferred Stock into shares of Common Stock pursuant to paragraph 4 of this Section L and no such transferee shall have any of the voting powers, preferences or rights of shares of Series C Preferred Stock hereunder, but rather, only the powers and rights pertaining to the Common Stock into which such shares of Series C Preferred Stock shall be so converted. Notwithstanding the foregoing provisions of this paragraph 1(b), shares of Series C Preferred Stock may be converted into shares of Common Stock as provided by paragraph 4 of this Section L and the

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shares of Common Stock issued upon such conversion may be transferred by the holder thereof as permitted by law.

2. Dividend Rate. (a) Dividends on each share of the Series C Preferred Stock shall accrue from the date of its original

issue (for purposes of this paragraph 2(a), the date of original issue of the Series C Preferred Stock shall be the date of commencement of the full quarterly period ending April 1, 1994) in the amount of \$4.53 per annum per share (the "Rate"). Such dividends shall be cumulative from the date of original issue and shall be payable, when and as declared by the Board of Directors, out of assets legally available for such purpose, on January 1, April 1, July 1 and October 1 of each year, commencing April 1, 1994 (each such date being hereinafter individually a "Dividend Payment Date" and collectively the "Dividend Payment Dates"), except that if such date is a Sunday or legal holiday then such dividend shall be payable on the first immediately succeeding calendar day which is not a Sunday or legal holiday. Each such dividend shall be paid to the holders of record of shares of the Series C Preferred Stock as they appear on the books of the Corporation on such Dividend Payment Date, or such other date as shall be fixed by the Board of Directors as the record date. Dividends in arrears may be declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on the payment date (which payment date may be fixed by the Board of Directors as the record date), or such other date as may be fixed by the Board of Directors as the record date.

(b) Except as hereinafter provided, no dividends shall be declared or paid or set apart for payment on Preferred Stock of any other series ranking on a parity with the Series C Preferred Stock as to dividends and upon liquidation for any period unless full cumulative dividends have been or contemporaneously are declared and paid on the Series C Preferred Stock through the latest Dividend Payment Date. When dividends are not paid in full, as aforesaid, upon the shares of the Series C Preferred Stock and any such other series of Preferred Stock, all dividends declared upon shares of the Series C Preferred Stock and such other series of Preferred Stock shall be declared pro rata so that the amount of dividends declared per share on the Series C Preferred Stock and such other series of Preferred Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the shares of the Series C Preferred Stock and such other series of Preferred Stock bear to each other. Holders of shares of the Series C Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of full cumulative dividends, as herein provided, on the Series C Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series C Preferred Stock which may be in arrears.

(c) So long as any shares of the Series C Preferred Stock are outstanding, no dividend (other than a dividend in Common Stock or in any other stock of the Corporation ranking junior to the Series C Preferred Stock as to dividends and upon liquidation and other than as provided in paragraph 2(b) of this Section L) shall be declared or paid or set aside for payment, and no other distribution shall be declared or made upon the Common Stock or upon any other stock of the Corporation ranking junior to or on a parity with the Series C Preferred Stock as to dividends or upon liquidation, nor shall any Common Stock nor any other stock of the Corporation ranking junior to or on a parity with the Series C Preferred Stock as to dividends or upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation (except by conversion into or exchange for stock of the Corporation ranking junior to the Series C Preferred Stock as to dividends and upon liquidation), unless, in each case, the full cumulative dividends on all outstanding shares of the Series C Preferred Stock shall have been paid or contemporaneously are declared and paid through the latest Dividend Payment Date.

(d) Dividends payable on the Series C Preferred Stock for any full quarterly period shall be computed by dividing the Rate by four (for purposes of this paragraph 2(d), the Series C Preferred Stock shall be deemed to have been outstanding for the full quarterly period ending April 1, 1994). Subject to the preceding sentence, dividends payable on the Series C Preferred Stock for any period less than a full quarterly period shall be computed on the basis of a 360-day year of 30-day months.

3. Redemption. (a) The shares of Series C Preferred Stock shall not be redeemable before January 1, 1998 except as set forth in paragraphs 3(b), 3(c), 3(d) and 3(e) of this Section L. On or after January 1, 1998, the Corporation, at its sole option, may redeem the Series C Preferred Stock as a whole or in part at a price of \$53.25 per share plus accrued and unpaid dividends thereon to the date fixed for redemption.

(b) The shares of Series C Preferred Stock shall be redeemable by the Corporation, at its sole option, at any time and from time to time if there is a change in the Federal tax law of the United States of America which has the effect of precluding the Corporation from claiming any of the tax deductions for dividends paid on the Series C Preferred Stock when such dividends are used as provided under Section 404(k)(2) of the Internal Revenue Code of 1986, as amended, and as in effect on the date shares of Series C Preferred Stock are initially issued (for this purpose, such date of initial

issuance being the date of the original issuance of the Series A Preference Stock), at the higher of (i) \$53.25 per share plus

accrued and unpaid dividends thereon to the date fixed for redemption or (ii) the fair market value per share of the Series C Preferred Stock as determined by an independent appraiser, appointed by the Trustee in accordance with the provisions of the Plan, as of the most recent Valuation Date, as defined in the Plan.

(c) The shares of Series C Preferred Stock shall be redeemable in whole at any time upon the commencement of any action by a governmental authority having jurisdiction which may result in the divestiture or other material change in the business of the Corporation or any subsidiary by reason of the issuance of the Series C Preferred Stock. At such time as the shares of Series C Preferred Stock shall be redeemable pursuant to this paragraph 3(c), the Corporation, at its sole option, may redeem the Series C Preferred Stock at the following redemption prices per share plus, in each case, accrued and unpaid dividends thereon to the date fixed for redemption.

If redeemed during the twelve-month period beginning January 1,

Year	Price
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1994	\$55.52
1995	\$54.95
1996	\$54.38
1997	\$53.82

and \$53.25 if redeemed on or after January 1, 1998.

(d) The shares of Series C Preferred Stock shall be redeemed by the Corporation at a redemption price which shall be the higher of (i) \$53.25 per share plus accrued and unpaid dividends thereon to the date fixed for redemption or (ii) the fair market value per share of the Series C Preferred Stock as determined by an independent appraiser appointed by the Trustee in accordance with the provisions of the Plan, as of the most recent Valuation Date, as defined in the Plan, at the option of the holder, at any time and from time to time upon notice to the Corporation given not less than five business days prior to the date fixed by the holder in such notice for such redemption, upon certification by such holder to the Corporation, when and to the extent necessary for such holder

to provide for distributions required to be made to participants under, or to satisfy an investment election provided to participants in accordance with, the Plan.

(e) At the option of the holder, the shares of Series C Preferred Stock shall be redeemed in whole by the Corporation at a redemption price of \$53.25 per share plus accrued and unpaid dividends thereon to the date fixed for redemption, at any time (i) upon a Change in Control of the Corporation or

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(ii) in the event that the Plan is not initially determined by the Internal Revenue Service to be qualified within the meaning of Sections 401(a) and 4975(e) (7) of the Internal Revenue Code of 1986, as amended, upon notice to the Corporation given not less than five business days prior to the date fixed by the holder in such notice for such redemption.

For purposes of this paragraph (e), a "Change in Control" will be deemed to have occurred upon either of the following:

(i) The date of public disclosure that any person or group of persons (excluding persons or entities affiliated with the Corporation) directly or indirectly acquires actual or beneficial ownership of 30% or more of the combined voting power of the Corporation's outstanding securities entitled to vote in the election of members of the Board of Directors, or the right to obtain such ownership; or

(ii) The date Incumbent Directors cease to constitute a majority of the Board of Directors.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur pursuant to (i) above solely because 30% or more of the combined voting power of the Corporation's outstanding securities entitled to vote in the election of members of the Board of Directors is acquired by a person, the majority interest in which is held, directly or indirectly, by the Corporation, or by one or more employee benefit plans maintained by the Corporation or an affiliated employer, the majority interest in which is held, directly or indirectly, by the Corporation.

For the purposes of this definition, the term "person" shall have the same meaning as set forth in Section 3(a) of the Securities Exchange Act of 1934, as amended, and in the regulations promulgated thereunder.

For purposes of this definition, the term "Incumbent Directors" shall mean the Board of Directors on December 31, 1993, to the extent that they continue to serve as members thereof. Any individual who becomes a member of such Board after December 31, 1993, if his or her election or nomination for election as a director was approved by a majority of the then Incumbent Directors, is an Incumbent Director.

(f) Except with respect to subparagraph 3(e)(i) of this Section L, the Corporation, at its option, may make payment of the redemption price required upon redemption of shares of Series C Preferred Stock in cash or in shares of Common Stock, or in a combination of such shares and cash, any such shares of Common Stock to be valued for such purpose at the current

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market price as determined pursuant to paragraphs 4(d) and 9 of this Section L, provided, however, that in calculating the current market price, the five consecutive business days preceding and including the date of redemption shall be used. Payment of the redemption price required upon redemption of shares of Series C Preferred Stock pursuant to subparagraph 3(e)(i) of this Section L shall be made in cash.

(g) In the event the Corporation shall redeem shares of the Series C Preferred Stock, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 20 nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the books of the Corporation. Each such notice shall state: (i) the redemption date; (ii) the number of shares of the Series C Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) whether such payment shall be in cash or shares of Common Stock, or in a combination of such shares and cash; (v) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; (vi) that dividends on the shares to be redeemed will cease to accrue on such redemption date; and (vii) the conversion rights of the shares to be redeemed, the period within which conversion rights may be exercised, the conversion price and the number of shares of Common Stock issuable upon conversion of a share of Series C Preferred Stock at the time.

(h) Notice having been mailed as aforesaid, from and

after the redemption date (unless default shall be made by the Corporation in providing money or shares of Common Stock for the payment of the redemption price of the shares called for redemption) dividends on the shares of the Series C Preferred Stock so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as preferred stockholders of the Corporation (except the right to receive from the Corporation the redemption price) shall cease. Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the redemption price aforesaid. In case fewer than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

(i) Any shares of the Series C Preferred Stock which shall at any time have been redeemed or repurchased by the Corporation, or surrendered to the Corporation upon conversion

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or otherwise acquired by the Corporation shall, upon such redemption, repurchase, surrender or other acquisition, be retired and thereafter have the status of authorized but unissued shares of Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board of Directors or a duly authorized committee thereof.

(j) Notwithstanding the foregoing provisions of this paragraph 3, unless the full cumulative dividends on all outstanding shares of the Series C Preferred Stock shall have been paid or contemporaneously are declared and paid through the latest Dividend Payment Date, no shares of the Series C Preferred Stock shall be redeemed, except at the option of the holder pursuant to paragraph 3(d) and paragraph 3(e) of this Section L, unless all outstanding shares of the Series C Preferred Stock are simultaneously redeemed, and the Corporation shall not purchase or otherwise acquire any shares of the Series C Preferred Stock; provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of the Series C Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of the Series C Preferred Stock.

(k) Any redemption, repurchase or other acquisition by,

or any surrender upon conversion to, the Corporation of shares of Series C Preferred Stock may, to the extent required to be made out of funds legally available for such purpose, be made to the extent of any unreserved and unrestricted capital surplus attributable to such shares in addition to any other surplus, profits, earnings or other funds or amounts legally available for such purpose.

4. Conversion. (a) The holder of any shares of the Series C Preferred Stock at his option may at any time (except that if any such shares shall have been called for redemption, then, as to such shares, such right shall terminate at the close of business on the date fixed for such redemption, unless default shall be made by the Corporation in providing money or shares of Common Stock for the payment of the redemption price of the shares called for redemption) convert the stated value of all such shares into a number of fully paid and nonassessable shares of Common Stock determined by dividing the stated value of the shares surrendered for conversion by the Conversion Price fixed or determined pursuant to paragraph 4(d) and paragraph 9 of this Section L. Such right shall be exercised by the surrender of the shares so to be converted to the Corporation at any time during normal business hours at the office of the Corporation, accompanied by written notice of such holder's election to convert and (if so required by the Corporation) by instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or

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by his duly authorized attorney, and transfer tax stamps or funds therefor, if required pursuant to paragraph 4(i) of this Section L.

(b) As promptly as practicable after the surrender for conversion of the shares of the Series C Preferred Stock in the manner provided in paragraph 4(a) of this Section L and the payment in cash of any amount required by the provisions of paragraphs 4(a) and 4(h) of this Section L, the Corporation will deliver or cause to be delivered to or upon the written order of the holder of such shares, certificates representing the number of full shares of Common Stock issuable upon such conversion, issued in such name or names as such holder may direct. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares, and all rights of the holder of such shares as a holder of such shares shall cease at such time and the person or persons in whose name or names the certificates for such shares of Common Stock are to be issued shall be

treated for all purposes as having become the record holder or holders thereof at such time and such conversion shall be at the Conversion Price (as hereinafter defined) in effect at such time; provided, however, that any such surrender and payment on any date when the stock transfer books of the Corporation shall be closed shall constitute the person or persons in whose name or names the certificates for such shares of Common Stock are to be issued as the record holder or holders thereof for all purposes immediately prior to the close of business on the next succeeding day on which such stock transfer books are opened and such conversion shall be at the Conversion Price in effect at such time on such succeeding day.

If the last day for the exercise of the conversion right shall be other than a business day, then such conversion right may be exercised on the next succeeding business day.

(c) No adjustments in respect of dividends shall be made upon the conversion of the shares of the Series C Preferred Stock.

(d) The initial Conversion Price shall be \$66.21 per share of the Common Stock. The Conversion Price shall be subject to adjustment as provided in paragraph 9.

(e) No fractional shares of stock shall be issued upon the conversion of shares of the Series C Preferred Stock. If any fractional interest in a share of Common Stock would, except for the provisions of this paragraph 4(e), be deliverable upon the conversion of shares, the Corporation shall in lieu of delivering the fractional share therefor, adjust such fractional interest by payment to the holder of such surrendered share or shares of an amount in cash equal

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(computed to the nearest cent) to the current market value of such fractional interest, computed on the basis of the last reported sale price regular way of Common Stock on the New York Stock Exchange, or, if not reported for such Exchange, on the Composite Tape, on the business day prior to the date of conversion, or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked quotations on the New York Stock Exchange, or, if the Common Stock is not listed on such Exchange or no such quotations are available, the last sale price in the over-the-counter market reported by the National Association of Securities Dealers Automated Quotations System, or if not reported by such System, the average of the high bid and low asked quotations in the

over-the-counter market as reported by National Quotation Bureau, Incorporated, or similar organization, or if no such quotations are available, the fair market price as determined by the Corporation (whose determination shall be conclusive).

(f) The Corporation covenants that it will at all times reserve and keep available, solely for the purpose of issue upon conversion of the outstanding shares of the Series C Preferred Stock, such number of shares of Common Stock as shall be issuable upon the conversion of all such outstanding shares, provided that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of (i) such reservation by reserving purchased shares of Common Stock which are held in the treasury of the Corporation and (ii) conversion of any shares of the Series C Preferred Stock by delivery of purchased shares of Common Stock which are held in the treasury of the Corporation.

The Corporation covenants that if any shares of Common Stock required to be reserved for purposes of conversion of the shares hereunder require registration with or approval of any governmental authority under any Federal or state law before such shares may be issued upon conversion, the Corporation will cause such shares to be duly registered or approved, as the case may be.

The Corporation will endeavor to list the shares of Common Stock required to be delivered upon conversion of shares prior to such delivery upon each national securities exchange upon which the outstanding Common Stock is listed at the time of such delivery.

The Corporation covenants that all shares of Common Stock which shall be issued upon conversion of the shares of Series C Preferred Stock will upon issue be fully paid and nonassessable.

(g) Before taking any action which would cause an adjustment reducing the Conversion Price below the then par

value of the Common Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at the Conversion Price as so adjusted.

(h) The issuance of certificates for shares of Common

Stock upon conversion or payment of the redemption price shall be made without charge for any stamp or other similar tax in respect of such issuance. However, if any such certificate is to be issued in a name other than that of the holder of the share or shares converted, the person or persons requesting the issuance thereof shall pay to the Corporation the amount of any tax which may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid.

(i) Notwithstanding anything elsewhere contained in this Certificate of Incorporation, any funds which at any time shall have been deposited or set aside by the Corporation or on its behalf with any paying agent or otherwise for the purpose of paying dividends on or the redemption price of any of the shares of the Series C Preferred Stock and which shall not be required for such purposes because of the conversion of such shares, as provided in this paragraph 4, shall, upon delivery to the paying agent of evidence satisfactory to it of such conversion, after such conversion be repaid to the Corporation by the paying agent.

(j) In case:

(i) the Corporation shall take any action which would require an adjustment in the Conversion Price pursuant to paragraph 9 of this Section L; or

(ii) the Corporation shall authorize the granting to the holders of its Common Stock of rights or warrants to subscribe for or purchase any shares of stock of any class or of any other rights and notice thereof shall be given to holders of Common Stock; or

(iii) there shall be any capital reorganization or reclassification of the Common Stock (other than a subdivision or combination of the outstanding Common Stock and other than a change in par value or from par value to no par value or from no par value to par value of the Common Stock), or any consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation is required, or any sale or transfer of all or substantially all of the assets of the Corporation; or

(iv) there shall be a voluntary or involuntary

dissolution, liquidation or winding up of the Corporation;

then the Corporation shall cause to be given to the holders of the shares of the Series C Preferred Stock at least ten days prior to the applicable date hereinafter specified, a notice of (x) the date on which a record is to be taken for the purpose of any distribution or grant to holders of Common Stock, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such distribution or grant are to be determined or (y) the date on which such reorganization, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. Failure to give such notice or any defect therein shall not affect the legality or validity of any proceedings described in clauses (i), (ii), (iii) or (iv) of this paragraph 4(j).

5. Voting. The shares of the Series C Preferred Stock shall be entitled to vote for the election of directors and on all other matters submitted to a vote of stockholders of the Corporation. Each share of the Series C Preferred Stock shall be entitled to 1.3 votes per share when voting together as a single class with shares of Common Stock, such voting rights to be adjusted as the Conversion Price is adjusted pursuant to paragraphs 4(d) and 9 of this Section L. Such shares shall vote jointly as a single class with shares of Common Stock and not as a separate class except as otherwise expressly provided for in the General Corporation Law of the State of Delaware; provided, however, that whether or not the General Corporation Law of the State of Delaware so provides, the affirmative vote of the holders of at least two-thirds of the outstanding shares of the Series C Preferred Stock and all other series of Preferred Stock ranking on a parity with the Series C Preferred Stock as to dividends and upon liquidation, voting together as a class, shall be required for the Corporation to create a new class or increase an existing class of stock having rights in respect of the payment of dividends or in liquidation prior to the Series C Preferred Stock or any other series of Preferred Stock ranking on a parity with the Series C Preferred Stock as to dividends and upon liquidation, to issue any preferred stock of the Corporation ranking prior to the Series C Preferred Stock either as to dividends or upon liquidation, or to change the terms, limitations or relative rights or preferences of the Series C Preferred Stock or any other series of Preferred Stock ranking on a parity with the Series C Preferred Stock as to dividends and upon liquidation, either directly or by increasing the relative rights of the shares of another class. When the shares of Series C Preferred Stock are entitled to vote together with any other series of Preferred Stock, shares of Series C Preferred Stock shall be entitled to one vote per share.

6. Liquidation Rights. (a) Upon the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, the holders of the shares of the Series C Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to stockholders, before any payment or distribution shall be made on the Common Stock or on any other class of stock ranking junior to the Preferred Stock upon liquidation, the amount of \$53.25 per share, plus accrued and unpaid dividends thereon to the date of final distribution.

(b) Neither the sale, lease or exchange (for cash, shares of stock, securities or other consideration) of all or substantially all the property and assets of the Corporation nor the merger or consolidation of the Corporation into or with any other corporation or the merger or consolidation of any other corporation into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this paragraph 6.

(c) After the payment to the holders of the shares of the Series C Preferred Stock of the full preferential amounts provided for in this paragraph 6, the holders of the Series C Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(d) In the event the assets of the Corporation available for distribution to the holders of shares of the Series C Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to paragraph 6(a) of this Section L, no such distribution shall be made on account of any shares of any other series of Preferred Stock or any other class of stock of the Corporation, in either case ranking on a parity with the shares of the Series C Preferred Stock upon such dissolution, liquidation or winding up, unless proportionate distributive amounts shall be paid on account of the shares of the Series C Preferred Stock, ratably, in proportion to the full distributable amounts to which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

7. Ranking. For purposes of the foregoing paragraphs 1 through 6 of this Section L, any stock of any class or classes of the Corporation shall be deemed to rank:

(a) prior to the shares of the Series C Preferred Stock, either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation,

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whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of the Series C Preferred Stock;

(b) on a parity with shares of the Series C Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of the Series C Preferred Stock, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of the Series C Preferred Stock; and

(c) junior to shares of the Series C Preferred Stock, either as to dividends or upon liquidation, if such class or classes shall be Common Stock or if the holders of shares of the Series C Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or classes.

Notwithstanding any other provision of this Section L or of Section M, the Series C Preferred Stock shall rank on a parity (within the meaning of paragraph 7(b) of this Section L) with the Corporation's 8.125% Cumulative Preferred Stock, Series A, 5.50% Convertible Preferred Stock, Series B, \$45,000 Cumulative Redeemable Preferred Stock, Series Z and 9.25% Preferred Stock, Series D as to dividends and distributions of assets.

8. Consolidation, Merger, etc. (a) In the event that the Corporation shall consummate any consolidation or merger or similar business combination, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged solely for or changed, reclassified or converted solely into stock of any successor or resulting corporation (including the

Corporation) that constitutes "qualifying employer securities" with respect to a holder of Series C Preferred Stock within the meaning of Section 409(1) of the Internal Revenue Code of 1986, as amended, and Section 407(d)(5) of the Employee Retirement Income Security Act of 1974, as amended, or any successor provisions of law, and, if applicable, for a cash payment in lieu of fractional shares, if any, the Series C Preferred Stock of such holder shall, in connection with such consolidation, merger or similar business combination, be assumed by and shall become preferred stock of such successor or resulting corporation, having in respect of such corporation, insofar as possible, the same powers, preferences and relative,

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participating, optional or other special rights (including the redemption rights provided by paragraph 3 of this Section L), and the qualifications, limitations or restrictions thereon, that the Series C Preferred Stock had immediately prior to such transaction, except that after such transaction each share of Series C Preferred Stock shall be convertible, otherwise on the terms and conditions provided by paragraph 4 of this Section L, into the number and kind of qualifying employer securities so receivable by a holder of the number of shares of Common Stock into which such Series C Preferred Stock could have been converted immediately prior to such transaction; provided, however, that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, which election cannot practicably be made by the holders of the Series C Preferred Stock, then the Series C Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in kind) receivable by a holder of the number of shares of Common Stock into which such Series C Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election to receive any kind or amount of stock, securities, cash or other property (other than such qualifying employer securities and a cash payment, if applicable, in lieu of fractional shares) receivable upon such transaction (provided that, if the kind or amount of qualifying employer securities receivable upon such transaction is not the same for each non-electing share, then the kind and amount so receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by the plurality of the non-electing shares). The rights of the Series C Preferred

Stock as preferred stock of such successor or resulting corporation shall successively be subject to adjustments pursuant to paragraphs 4 and 9 of this Section L after any such transaction as nearly equivalent as practicable to the adjustment provided for by such paragraph prior to such transaction. The Corporation shall not consummate any such merger, consolidation or similar transaction unless all then outstanding Series C Preferred Stock shall be assumed and authorized by the successor or resulting corporation as aforesaid.

(b) In the event that the Corporation shall consummate any consolidation or merger or similar business combination, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged for or changed, reclassified or converted into other stock or securities or cash or any other property, or any combination thereof, other than any such consideration which is constituted solely of qualifying

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employer securities (as referred to in paragraph 8(a) of this Section L) and cash payments, if applicable, in lieu of fractional shares, outstanding shares of Series C Preferred Stock shall, without any action on the part of the Corporation or any holder thereof (but subject to paragraph 8(c) of this Section L), be automatically converted by virtue of such merger, consolidation or similar transaction immediately prior to such consummation into the number of shares of Common Stock into which such Series C Preferred Stock could have been converted at such time so that each share of Series C Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in like kind) receivable by a holder of the number of shares of Common Stock into which such shares of Series C Preferred Stock could have been converted immediately prior to such transaction; provided, however, that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, which election cannot practicably be made by the holder of the Series C Preferred Stock, then the Series C Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in kind) receivable by a holder of the number of shares of Common Stock into which such Series C Preferred Stock

could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election as to the kind or amount of stock, securities, cash or other property receivable upon such transaction (provided that, if the kind or amount of stock, securities, cash or other property receivable upon such transaction is not the same for each non-electing share, then the kind and amount of stock, securities, cash or other property receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by a plurality of the non-electing shares).

(c) In the event the Corporation shall enter into any agreement providing for any consolidation or merger or similar business combination described in paragraph 8(b) of this Section L, then the Corporation shall as soon as practicable thereafter (and in any event at least ten business days before consummation of such transaction) give notice of such agreement and the material terms thereof to each holder of Series C Preferred Stock and each such holder shall have the right to elect, by written notice to the Corporation, to receive, upon consummation of such transaction (if and when such transaction is consummated), from the Corporation or the successor of the Corporation, in redemption of such Series C Preferred Stock, a

cash payment equal to the following redemption prices per share, plus, in each case, accrued and unpaid dividends thereon to the date fixed for redemption.

If redeemed during the twelve-month period beginning January 1,

Year	Price
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1994	\$ 55.52
1995	\$ 54.95
1996	\$ 54.38
1997	\$ 53.82

and \$53.25 if redeemed on or after January 1, 1998.

No such notice of redemption shall be effective unless given to the Corporation prior to the close of business on the fifth business day prior to consummation of such transaction, unless the Corporation or the successor of the Corporation shall waive such prior notice, but any notice of redemption so given prior to such time may be withdrawn by notice of withdrawal given to the Corporation prior to the close of business on the

fifth business day prior to consummation of such transaction.

9. Anti-dilution Adjustments. (a) In the event the Corporation shall, at any time or from time to time while any of the Series C Preferred Stock is outstanding, (i) pay a dividend or make a distribution in respect of the Common Stock in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, in each case whether by reclassification of shares, recapitalization of the Corporation (including a recapitalization effected by a merger or consolidation to which paragraph 8 of this Section L does not apply) or otherwise, the Conversion Price in effect immediately prior to such action shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately before such event, and the denominator of which is the number of shares of Common Stock outstanding immediately after such event. An adjustment made pursuant to this paragraph 9(a) shall be given effect, upon payment of such a dividend or distribution, as of the record date for the determination of stockholders entitled to receive such dividend or distribution (on a retroactive basis) and in the case of a subdivision or combination shall become effective immediately as of the effective date thereof.

(b) In the event that the Corporation shall, at any time or from time to time while any of the Series C Preferred Stock is outstanding, issue to holders of shares of Common Stock as a dividend or distribution, including by way of a reclassification of shares or a recapitalization of the

Corporation, any right or warrant to purchase shares of Common Stock (but not including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock) at a purchase price per share less than the Fair Market Value (as hereinafter defined) of a share of Common Stock on the date of issuance of such right or warrant, then, subject to the provisions of paragraphs 9(e) and 9(f) of this Section L, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the number of shares of Common Stock which could be purchased at the Fair Market Value of a share of Common Stock at the time of such issuance for the maximum aggregate consideration payable upon exercise in full of all such rights or warrants, and the

denominator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the maximum number of shares of Common Stock that could be acquired upon exercise in full of all such rights and warrants.

(c) In the event the Corporation shall, at any time or from time to time while any of the shares of Series C Preferred Stock are outstanding, issue, sell or exchange shares of Common Stock (other than pursuant to any right or warrant to purchase or acquire shares of Common Stock (including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock) and other than pursuant to any employee or director incentive or benefit plan or arrangement, including any employment, severance or consulting agreement, of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted) for a consideration having a Fair Market Value, on the date of such issuance, sale or exchange, less than the Fair Market Value of such shares on the date of issuance, sale or exchange, then, subject to the provisions of paragraphs 9(e) and 9(f) of this Section L, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which shall be the sum of (i) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (ii) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of shares of Common Stock, and the denominator of which shall be the product of (x) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (y) the sum of the number of shares of Common Stock outstanding on such day plus the number of shares of Common Stock so issued, sold or exchanged by the Corporation. In the event the Corporation shall, at any time or from time to time while any Series C Preferred Stock is outstanding, issue, sell or exchange any

right or warrant to purchase or acquire shares of Common Stock (including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock), other than any such issuance to holders of shares of Common Stock as a dividend or distribution (including by way of a reclassification of shares or a recapitalization of the Corporation) and other than pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the

Corporation or any subsidiary of the Corporation heretofore or hereafter adopted, for a consideration having a Fair Market Value, on the date of such issuance, sale or exchange, less than the Non-Dilutive Amount (as hereinafter defined), then, subject to the provisions of paragraphs 9(e) and 9(f) of this Section L, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which shall be the sum of (i) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (ii) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of such right or warrant plus (iii) the Fair Market Value at the time of such issuance of the consideration which the Corporation would receive upon exercise in full of all such rights or warrants, and the denominator of which shall be the product of (x) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (y) the sum of the number of shares of Common Stock outstanding on such day plus the maximum number of shares of Common Stock which could be acquired pursuant to such right or warrant at the time of the issuance, sale or exchange of such right or warrant (assuming shares of Common Stock could be acquired pursuant to such right or warrant at such time).

(d) In the event the Corporation shall, at any time or from time to time while any of the Series C Preferred Stock is outstanding, make an Extraordinary Distribution (as hereinafter defined) in respect of the Common Stock, whether by dividend, distribution, reclassification of shares or recapitalization of the Corporation (including a recapitalization or reclassification effected by a merger or consolidation to which paragraph 8 of this Section L does not apply) or effect a Pro Rata Repurchase (as hereinafter defined) of Common Stock, the Conversion Price in effect immediately prior to such Extraordinary Distribution or Pro Rata Repurchase shall, subject to paragraphs 9(e) and 9(f) of this Section L, be adjusted by multiplying such Conversion Price by a fraction, the numerator of which is the difference between (i) the product of (x) the number of shares of Common Stock outstanding immediately before such Extraordinary Distribution or Pro Rata Repurchase multiplied by (y) the Fair Market Value of a share

of Common Stock on the day before the ex-dividend date with respect to an Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary

Distribution which is paid other than in cash, or on the applicable expiration date (including all extensions thereof) of any tender offer which is a Pro Rata Repurchase, or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender offer, as the case may be, and (ii) the Fair Market Value of the Extraordinary Distribution minus the aggregate amount of regularly scheduled quarterly dividends declared by the Board of Directors and paid by the Corporation in the twelve months immediately preceding such Extraordinary Distribution or the aggregate purchase price of the Pro Rata Repurchase, as the case may be, and the denominator of which shall be the product of (a) the number of shares of Common Stock outstanding immediately before such Extraordinary Distribution or Pro Rata Repurchase minus, in the case of a Pro Rata Repurchase, the number of shares of Common Stock repurchased by the Corporation multiplied by (b) the Fair Market Value of a share of Common Stock on the day before the ex-dividend date with respect to an Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash, or on the applicable expiration date (including all extensions thereof) of any tender offer which is a Pro Rata Repurchase or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender offer, as the case may be. The Corporation shall send each holder of Series C Preferred Stock (i) notice of its intent to make any Extraordinary Distribution and (ii) notice of any offer by the Corporation to make a Pro Rata Repurchase, in each case at the same time as, or as soon as practicable after, such offer is first communicated (including by announcement of a record date in accordance with the rules of any stock exchange on which the Common Stock is listed or admitted to trading) to holders of Common Stock. Such notice shall indicate the intended record date and the amount and nature of such dividend or distribution, or the number of shares subject to such offer for a Pro Rata Repurchase and the purchase price payable by the Corporation pursuant to such offer, as well as the Conversion Price and the number of shares of Common Stock into which a share of Series C Preferred Stock may be converted at such time.

(e) Notwithstanding any other provisions of this paragraph 9, the Corporation shall not be required to make any adjustment to the Conversion Price unless such adjustment would require an increase or decrease of at least one percent (1%) in the Conversion Price. Any lesser adjustment shall be carried forward and shall be made no later than the time of, and together with, the next subsequent adjustment which, together with any adjustment or adjustments so carried forward, shall

amount to an increase or decrease of at least one percent (1%) in the Conversion Price.

(f) If the Corporation shall make any dividend or distribution on the Common Stock or issue any Common Stock, other capital stock or other security of the Corporation or any rights or warrants to purchase or acquire any such security, which transaction does not result in an adjustment to the Conversion Price pursuant to the foregoing provisions of this paragraph 9, the Board of Directors shall consider whether such action is of such a nature that an adjustment to the Conversion Price should equitably be made in respect of such transaction. If in such case the Board of Directors determines that an adjustment to the Conversion Price should be made, an adjustment shall be made effective as of such date, as determined by the Board of Directors. The determination of the Board of Directors as to whether an adjustment to the Conversion Price should be made pursuant to the foregoing provisions of this paragraph 9(f), and, if so, as to what adjustment should be made and when, shall be final and binding on the Corporation and all stockholders of the Corporation. The Corporation shall be entitled to make such additional adjustments in the Conversion Price, in addition to those required by the foregoing provisions of this paragraph 9, as shall be necessary in order that any dividend or distribution in shares of capital stock of the Corporation, subdivision, reclassification or combination of shares of stock of the Corporation or any recapitalization of the Corporation shall not be taxable to the holders of the Common Stock.

(g) For purposes of this paragraph 9 the following definitions shall apply:

"Business Day" shall mean each day that is not a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

"Current Market Price" of publicly traded shares of Common Stock or any other class of capital stock or other security of the Corporation or any other issuer for any day shall mean the last reported sales price, regular way, or, in the event that no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case as reported on the New York Stock Exchange Composite Tape or, if such security is not listed or admitted to trading on the New York Stock Exchange, on the principal

national securities exchange on which such security is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the NASDAQ National Market System or, if such security is not quoted on such National Market System, the average of the closing bid and

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asked prices on each such day in the over-the-counter market as reported by NASDAQ or, if bid and asked prices for such security on each such day shall not have been reported through NASDAQ, the average of the bid and asked prices for such day as furnished by any New York Stock Exchange member firm regularly making a market in such security selected for such purpose by the Board of Directors or a committee thereof, in each case, on each trading day during the Adjustment Period.

"Adjustment Period" shall mean the period of five consecutive trading days preceding, and including, the date as of which the Fair Market Value of a security is to be determined. The "Fair Market Value" of any security which is not publicly traded or of any other property shall mean the fair value thereof as determined by an independent investment banking or appraisal firm experienced in the valuation of such securities or property selected in good faith by the Board of Directors or a committee thereof, or, if no such investment banking or appraisal firm is in the good faith judgment of the Board of Directors or such committee available to make such determination, as determined in good faith by the Board of Directors or such committee.

"Extraordinary Distribution" shall mean any dividend or other distribution to holders of Common Stock (effected while any shares of the Series C Preferred Stock are outstanding) (i) of cash, where the aggregate amount of such cash dividend or distribution together with the amount of all cash dividends and distributions made during the preceding period of 12 months, when combined with the aggregate amount of all Pro Rata Repurchases (for this purpose, including only that portion of the aggregate purchase price of such Pro Rata Repurchases which is in excess of the Fair Market Value of the Common Stock repurchased as determined on the applicable expiration date (including all extensions thereof) of any tender offer or exchange offer which is a Pro Rata Repurchase, or the date of purchase with respect to any other Pro Rata Repurchase which is not a tender offer or exchange offer made during such period), exceeds twelve and one-half percent (12 1/2%) of the aggregate Fair Market Value of all shares of Common Stock outstanding on the day before the ex-dividend date with respect to such

Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash, and/or (ii) of any shares of capital stock of the Corporation (other than shares of Common Stock), other securities of the Corporation (other than securities of the type referred to in paragraphs 9(b) or 9(c) of this Section L), evidences of indebtedness of the Corporation or any other person or any other property (including shares of any subsidiary of the Corporation) or any combination thereof. The Fair Market Value of an Extraordinary Distribution for purposes of paragraph 9(d) of this Section L

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shall be equal to the sum of the Fair Market Value of such Extraordinary Distribution plus the amount of any cash dividends which are not Extraordinary Distributions made during such 12-month period and not previously included in the calculation of an adjustment pursuant to paragraph 9(d) of this Section L.

"Fair Market Value" shall mean, as to shares of Common Stock or any other class of capital stock or securities of the Corporation or any other issuer which are publicly traded, the average of the Current Market Prices of such shares or securities for each day of the Adjustment Period.

"Non-Dilutive Amount" in respect of an issuance, sale or exchange by the Corporation of any right or warrant to purchase or acquire shares of Common Stock (including any security convertible into or exchangeable for shares of Common Stock) shall mean the difference between (i) the product of the Fair Market Value of a share of Common Stock on the day preceding the first public announcement of such issuance, sale or exchange multiplied by the maximum number of shares of Common Stock which could be acquired on such date upon the exercise in full of such rights and warrants (including upon the conversion or exchange of all such convertible or exchangeable securities), whether or not exercisable (or convertible or exchangeable) at such date, and (ii) the aggregate amount payable pursuant to such right or warrant to purchase or acquire such maximum number of shares of Common Stock; provided, however, that in no event shall the Non-Dilutive Amount be less than zero. For purposes of the foregoing sentence, in the case of a security convertible into or exchangeable for shares of Common Stock, the amount payable pursuant to a right or warrant to purchase or acquire shares of Common Stock shall be the Fair Market Value of such security on the date of the issuance, sale or exchange of such security by

the Corporation.

"Pro Rata Repurchase" shall mean any purchase of shares of Common Stock by the Corporation or any subsidiary thereof, whether for cash, shares of capital stock of the Corporation, other securities of the Corporation, evidences of indebtedness of the Corporation or any other person or any other property (including shares of a subsidiary of the Corporation), or any combination thereof, effected while any of the shares of Series C Preferred Stock are outstanding, pursuant to any tender offer or exchange offer subject to Section 13(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor provision of law, or pursuant to any other offer available to substantially all holders of Common Stock; provided, however, that no purchases of shares by the Corporation or any subsidiary thereof made in open market transactions shall be deemed a Pro Rata Repurchase. For

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purposes of this paragraph 9(g), shares shall be deemed to have been purchased by the Corporation or any subsidiary thereof "in open market transactions" if they have been purchased substantially in accordance with the requirements of Rule 10b-18 as in effect under the Exchange Act, on the date Series C Preferred Stock is initially issued by the Corporation or on such other terms and conditions as the Board of Directors or a committee thereof shall have determined are reasonably designed to prevent such purchases from having a material effect on the trading market for the Common Stock.

(h) Whenever an adjustment to the Conversion Price and the related voting rights of the Series C Preferred Stock is required pursuant to this paragraph 9, the Corporation shall forthwith place on file with the transfer agent for the Common Stock and with the Secretary of the Corporation, a statement signed by two officers of the Corporation stating the adjusted Conversion Price determined as provided herein and the resulting conversion ratio, and the voting rights (as appropriately adjusted), of the Series C Preferred Stock. Such statement shall set forth in reasonable detail such facts as shall be necessary to show the reason and the manner of computing such adjustment, including any determination of Fair Market Value involved in such computation. Promptly after each adjustment to the Conversion Price and the related voting rights of the Series C Preferred Stock, the Corporation shall mail a notice thereof and of the then prevailing conversion ratio to each holder of Series C Preferred Stock.

1. Designation; Issuance and Transfer. There shall be a series of Preferred Stock, the designation of which shall be "9.25% Preferred Stock, Series D" (hereinafter called the "Series D Preferred Stock") and the number of authorized shares constituting the Series D Preferred Stock shall be 7,500,000. Shares of the Series D Preferred Stock shall have a stated value of \$50.00 per share. The number of authorized shares of the Series D Preferred Stock may be reduced by resolution duly adopted by the Board of Directors, or by a duly authorized committee thereof, and by the filing, pursuant to the provisions of the General Corporation Law of the State of Delaware, of a certificate of amendment to the Certificate of Incorporation, as theretofore amended, stating that such reduction has been so authorized, but the number of authorized shares of the Series D Preferred Stock shall not be increased.

2. Dividend Rate. (a) Dividends on each share of the Series D Preferred Stock shall accrue from the date of its original issue (for purposes of this paragraph 2(a), the date of original issue of the Series D Preferred Stock shall be the date of commencement of the full quarterly period ending April 1, 1994) at a rate of 9.25% per annum per share (the "Rate") applied to the stated value of each such share. Such dividends

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shall be cumulative from the date of original issue and shall be payable, when and as declared by the Board of Directors, out of assets legally available for such purpose, on January 1, April 1, July 1 and October 1 of each year, commencing April 1, 1994 (each such date being hereinafter individually a "Dividend Payment Date" and collectively the "Dividend Payment Dates"), except that if such date is a Sunday or legal holiday then such dividend shall be payable on the first immediately succeeding calendar day which is not a Sunday or legal holiday. Each such dividend shall be paid to the holders of record of shares of the Series D Preferred Stock as they appear on the books of the Corporation on such record date, not exceeding 45 days preceding the payment date thereof, as shall be fixed by the Board of Directors. Dividends in arrears may be declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such record date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(b) Except as hereinafter provided, no dividends shall be declared or paid or set apart for payment on Preferred Stock of any other series ranking on a parity with the Series D Preferred Stock as to dividends and upon liquidation for any

period unless full cumulative dividends have been or contemporaneously are declared and paid on the Series D Preferred Stock through the latest Dividend Payment Date. When dividends are not paid in full, as aforesaid, upon the shares of the Series D Preferred Stock and any such other series of Preferred Stock, all dividends declared upon shares of the Series D Preferred Stock and such other series of Preferred Stock shall be declared pro rata so that the amount of dividends declared per share on the Series D Preferred Stock and such other series of Preferred Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the shares of the Series D Preferred Stock and such other series of Preferred Stock bear to each other. Holders of shares of the Series D Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of full cumulative dividends, as herein provided, on the Series D Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series D Preferred Stock which may be in arrears.

(c) So long as any shares of the Series D Preferred Stock are outstanding, no dividend (other than a dividend in Common Stock or in any other stock of the Corporation ranking junior to the Series D Preferred Stock as to dividends and upon liquidation and other than as provided in paragraph 2(b) of this Section M) shall be declared or paid or set aside for payment, and no other distribution shall be declared or made upon the Common Stock or upon any other stock of the

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Corporation ranking junior to or on a parity with the Series D Preferred Stock as to dividends or upon liquidation, nor shall any Common Stock nor any other stock of the Corporation ranking junior to or on a parity with the Series D Preferred Stock as to dividends or upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation (except by conversion into or exchange for stock of the Corporation ranking junior to the Series D Preferred Stock as to dividends and upon liquidation) unless, in each case, the full cumulative dividends on all outstanding shares of the Series D Preferred Stock shall have been paid or contemporaneously are declared and paid through the latest Dividend Payment Date.

(d) Dividends payable on each share of Series D Preferred Stock for any full quarterly period shall be computed

by dividing the Rate by four and multiplying the quotient by the stated value of such share (for purposes of this paragraph 2(d), the Series D Preferred Stock shall be deemed to have been outstanding for the full quarterly period ending April 1, 1994). Subject to the preceding sentence, dividends payable on the Series D Preferred Stock for any period less than a full quarterly period shall be computed on the basis of a 360-day year of 30-day months.

3. Redemption. (a) The shares of Series D Preferred Stock shall not be redeemable before July 1, 1997. On or after July 1, 1997, the Corporation, at its sole option, may redeem the Series D Preferred Stock as a whole or in part at a price of \$50.00 per share plus accrued and unpaid dividends thereon to the date fixed for redemption.

(b) In the event that fewer than all the outstanding shares of the Series D Preferred Stock are to be redeemed, the number of shares to be redeemed shall be determined by the Board of Directors and the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board of Directors or by any other method as may be determined by the Board of Directors in its sole discretion to be equitable, except that, notwithstanding such method of determination, the Corporation may redeem all shares of the Series D Preferred Stock owned by all stockholders of a number of shares not to exceed 100 as may be specified by the Corporation.

(c) In the event the Corporation shall redeem shares of the Series D Preferred Stock, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the books of the Corporation. Each such notice shall state: (i) the redemption

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date; (ii) the number of shares of the Series D Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date.

(d) Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the

Corporation in providing money for the payment of the redemption price of the shares called for redemption) dividends on the shares of the Series D Preferred Stock so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the redemption price) shall cease. Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the redemption price aforesaid. In case fewer than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

(e) Any shares of the Series D Preferred Stock which shall at any time have been redeemed, repurchased or otherwise acquired by the Corporation shall, upon such redemption, repurchase or other acquisition, be retired and thereafter have the status of authorized but unissued shares of Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board of Directors or a duly authorized committee thereof.

(f) Notwithstanding the foregoing provisions of this paragraph 3, unless the full cumulative dividends on all outstanding shares of the Series D Preferred Stock shall have been paid or contemporaneously are declared and paid through the last Dividend Payment Date, no shares of the Series D Preferred Stock shall be redeemed unless all outstanding shares of the Series D Preferred Stock are simultaneously redeemed, and the Corporation shall not purchase or otherwise acquire any shares of the Series D Preferred Stock; provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of the Series D Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of the Series D Preferred Stock.

(g) Any redemption, repurchase or other acquisition by the Corporation of shares of Series D Preferred Stock may, to the extent required to be made out of funds legally available for such purpose, be made to the extent of any unreserved and unrestricted capital surplus attributable to such shares in

addition to any other surplus, profits, earnings or other funds or amounts legally available for such purpose.

4. Voting. The shares of the Series D Preferred Stock shall not have any voting powers, either general or special, except that:

(a) If on the date used to determine stockholders of record for any annual meeting of stockholders at which directors are to be elected, a Default in Preferred Dividends (as hereinafter defined) on the Series D Preferred Stock shall exist, the number of directors constituting the Board of Directors shall be increased by two, and the holders of the Series D Preferred Stock and all other series of Preferred Stock ranking on a parity with the Series D Preferred Stock as to dividends and upon liquidation and upon which like voting rights have been conferred and are exercisable (whether or not the holders of such other series of Preferred Stock would be entitled to vote for the election of directors if such Default in Preferred Dividends did not exist) shall have the right at such meeting, voting together as a single class without regard to series, to the exclusion of the holders of Common Stock, to elect two directors of the Corporation to fill such newly created directorships. Each director elected by the holders of shares of the Preferred Stock (herein called a "Preferred Director") as aforesaid shall continue to serve as such director for the full term for which he shall have been elected, notwithstanding that prior to the end of such term a Default in Preferred Dividends shall cease to exist. Any Preferred Director may be removed by, and shall not be removed except by, the vote of the holders of record of the outstanding shares of the Series D Preferred Stock and all other series of Preferred Stock ranking on a parity with the Series D Preferred Stock as to dividends and upon liquidation, voting together as a single class without regard to series, at a meeting of the stockholders, or of the holders of shares of such Preferred Stock, called for the purpose. So long as a Default in Preferred Dividends on the Preferred Stock shall exist (i) any vacancy in the office of a Preferred Director may be filled (except as provided in the following clause (ii)) by an instrument in writing signed by the remaining Preferred Director and filed with the Corporation and (ii) in the case of the removal of any Preferred Director, the vacancy may be filled by the vote of the holders of the outstanding shares of Preferred Stock entitled to vote with respect to the removal of such Preferred Director, voting together as a single class without regard to series, at the same meeting at which such removal shall be voted. Each director appointed as aforesaid by

the remaining Preferred Director shall be deemed, for all purposes hereof, to be a Preferred Director. Whenever the term of office of the Preferred Directors shall end and no Default in Preferred Dividends shall exist, the number of directors constituting the Board of Directors shall be reduced by two. For the purposes hereof, a "Default in Preferred Dividends" on any series of Preferred Stock shall be deemed to have occurred whenever the amount of accrued and unpaid dividends upon such series of the Preferred Stock shall be equivalent to six full quarterly dividends or more, and, having so occurred, such default shall be deemed to exist thereafter until, but only until, all accrued dividends on all shares of the Preferred Stock of such series then outstanding shall have been paid through the last Dividend Payment Date;

(b) Whether or not the General Corporation Law of the State of Delaware so provides, the affirmative vote of the holders of at least two-thirds of the outstanding shares of the Series D Preferred Stock and all other series of Preferred Stock ranking on a parity with the Series D Preferred Stock as to dividends and upon liquidation, voting together as a single class without regard to series, shall be required for the Corporation to create a new class or increase an existing class of stock having rights in respect of the payment of dividends or in liquidation prior to the Series D Preferred Stock or any other series of Preferred Stock ranking on a parity with the Series D Preferred Stock as to dividends and upon liquidation, or to change the terms, limitations or relative rights or preferences of the Series D Preferred Stock or any other series of Preferred Stock ranking on a parity with the Series D Preferred Stock as to dividends and upon liquidation, either directly or by increasing the relative rights of the shares of another class; and

(c) Whether or not the General Corporation Law of the State of Delaware so provides, the affirmative vote of the holders of at least two-thirds of the outstanding shares of the Series D Preferred Stock voting together as a single class without regard to series with the holders of any one or more other series of Preferred Stock ranking on a parity with the Series D Preferred Stock as to dividends and upon liquidation and similarly affected shall be required for authorizing, effecting, or validating the amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation or of any Certificate of Amendment thereof or any similar document (including any Certificate of Amendment or any similar document relating to any series of the Preferred Stock) which would adversely affect the preferences, rights or privileges of the Series D Preferred Stock.

(d) Whether or not the General Corporation Law of the State of Delaware so provides, the affirmative vote of the

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holders of at least two-thirds of the outstanding shares of the Series D Preferred Stock and all other series of Preferred Stock ranking on a parity with the Series D Preferred Stock as to dividends and upon liquidation and upon which like voting rights have been conferred, voting together as a single class without regard to series, shall be required for the Corporation to issue any authorized shares of preferred stock of the Corporation ranking prior to the Series D Preferred Stock either as to dividends or upon liquidation.

5. Liquidation Rights. (a) Upon the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, the holders of the shares of the Series D Preferred Stock shall be entitled to receive and to be paid out of the assets of the Corporation available for distribution to stockholders, before any payment or distribution shall be made on the Common Stock or on any other class of stock ranking junior to the Preferred Stock upon liquidation, the amount of \$50.00 per share, plus accrued and unpaid dividends thereon to the date of final distribution.

(b) Neither the sale, lease or exchange (for cash, shares of stock, securities or other consideration) of all or substantially all the property and assets of the Corporation nor the merger or consolidation of the Corporation into or with any other corporation or the merger or consolidation of any other corporation into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this paragraph 5.

(c) After the payment to the holders of the shares of the Series D Preferred Stock of the full preferential amounts provided for in this paragraph 5, the holders of the Series D Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(d) In the event the assets of the Corporation available for distribution to the holders of shares of the Series D Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to paragraph 5(a) of this Section M, no such distribution shall be made on account of any shares of any other series of the Preferred

Stock or any other class of stock of the Corporation ranking on a parity with the shares of the Series D Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of the Series D Preferred Stock, ratably, in proportion to the full distributable amounts to which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

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6. Ranking. For purposes of the foregoing paragraphs 1 through 5 of this Section M, any stock of any class or classes of the Corporation shall be deemed to rank:

(a) prior to the shares of the Series D Preferred Stock, either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of the Series D Preferred Stock;

(b) on a parity with shares of the Series D Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of the Series D Preferred Stock, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of the Series D Preferred Stock; and

(c) junior to shares of the Series D Preferred Stock, either as to dividends or upon liquidation, if such class or classes shall be Common Stock or if the holders of shares of the Series D Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or classes.

Notwithstanding any other provision of this Section M or of Section L, the Series D Preferred Stock shall rank on a parity (within the

meaning of paragraph 6(b) of this Section M) with the Corporation's 8.125% Cumulative Preferred Stock, Series A, 5.50% Convertible Preferred Stock, Series B, \$45,000 Cumulative Redeemable Preferred Stock, Series Z and Series C Preferred Stock as to dividends and distributions of assets.

N. \$45,000 CUMULATIVE REDEEMABLE PREFERRED STOCK, SERIES Z

1. Designation and Number of Shares. The designation of such series shall be \$45,000 Cumulative Redeemable Preferred Stock, Series Z (the "Series Z Preferred Stock"), and the number of shares constituting such series shall be 4,444. Shares of the Series Z Preferred Stock shall have a par value of \$1.00 per share and the amount of \$45,000 shall be the "liquidation value" of each share of the Series Z Preferred Stock. The number of authorized shares of Series Z Preferred Stock may be reduced (but

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not below the number of shares thereof then outstanding) by further resolution duly adopted by the Board of Directors or the Executive Committee and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such reduction has been so authorized, but the number of authorized shares of Series Z Preferred Stock shall not be increased.

2. Dividends. (a) Dividends on each share of Series Z Preferred Stock shall be payable with respect to each quarter ending on February 15, May 15, August 15 and November 15 of each year ("Quarterly Dividend Period"), in arrears, payable commencing on March 1, 1993 and on each June 1, September 1, December 1 and March 1 thereafter ("Dividend Payment Dates") with respect to the quarter then ended, at a rate per annum equal to the Applicable Rate (as defined in paragraph (b) of this Section 2) in effect during the Quarterly Dividend Period to which such dividend relates, multiplied by the liquidation value (\$45,000) of each such share. Such dividends shall be cumulative from December 16, 1992 and shall be payable, when and as declared by the Board of Directors, out of assets legally available for such purpose, on each Dividend Payment Date as set forth above. Each such dividend shall be paid to the holders of record of shares of the Series Z Preferred Stock as they appear on the books of the Corporation on such record date, not exceeding 30 days preceding the payment date thereof, as shall be fixed in advance by the Board of Directors of the Corporation. Dividends in arrears for any past Quarterly Dividend Periods may be declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors of the Corporation.

(b) Except as provided below in this paragraph, the "Applicable Rate" for any Quarterly Dividend Period shall be 85% of the daily average of the Dealer Offer Rates for 30-day Commercial Paper placed by dealers whose firm's bond ratings are AA or equivalent, as reported in the Federal Reserve Board statistical release designated H-15 and converted to a 360-day yield basis and rounded to two decimal places. The daily average shall be calculated by the treasurer of the Corporation, whose calculation shall be final and conclusive, by dividing (i) the sum of (A) for each day in the Quarterly Dividend Period for which such rate is so published, the Dealer Offered Rate for such date, and (B) for each day in the Quarterly Dividend Period for which such rate is not so published, the Dealer Offered Rate for the most recent date for which such rate was so published, by (ii) the number of days in the Quarterly Dividend Period. Dividends payable on the Series Z Preferred Stock for any period shall be computed on the basis of the actual number of days elapsed in the period for which such dividends are payable (whether a full or partial

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Quarterly Dividend Period) and based upon a year of 360 days. If the Corporation determines in good faith that for any reason the Applicable Rate cannot be determined for any Quarterly Dividend Period, then the Applicable Rate in effect for the preceding Quarterly Dividend Period shall be continued for such Quarterly Dividend Period.

3. Redemption. (a) The Corporation, at its sole option, out of funds legally available therefor, may redeem shares of the Series Z Preferred Stock, as a whole or in part, at any time or from time to time, at a redemption price of \$45,000 per share, plus, in each case, an amount equal to accrued and unpaid dividends thereon to the date fixed for redemption (the "Redemption Price").

(b) In the event that fewer than all the outstanding shares of the Series Z Preferred Stock are to be redeemed, the shares to be redeemed from each holder of record shall be determined by lot or pro rata as may be determined by the Board of Directors or by any other method as may be determined by the Board of Directors in its sole discretion to be equitable.

(c) In the event the Corporation shall redeem shares of the Series Z Preferred Stock, written notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 days prior to the redemption date, to each holder

of record of the shares to be redeemed, at such holder's address as the same appears on the books of the Corporation. Each such notice shall state: (i) the redemption date; (ii) the number of shares of the Series Z Preferred Stock to be redeemed and, in the case of a partial redemption pursuant to Section 3(b) hereof, the identification (by the number of the certificate or otherwise) and the number of shares of Series Z Preferred Stock evidenced thereby to be redeemed; (iii) the Redemption Price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date.

(d) If notice of redemption shall have been duly given, and if, on or before the redemption date specified therein, all funds necessary for such redemption shall have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for shares so called for redemption shall not have been surrendered for cancellation, all shares so called for redemption shall no longer be deemed outstanding on and after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right

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of the holders thereof to receive the amount payable on redemption thereof, without interest.

If such notice of redemption shall have been duly given or if the Corporation shall have given to the bank or trust company hereinafter referred to irrevocable authorization promptly to give such notice, and if on or before the redemption date specified therein the funds necessary for such redemption shall have been deposited by the Corporation with such bank or trust company in trust for the pro rata benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for shares so called for redemption shall not have been surrendered for cancellation, from and after the time of such deposit, all 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 terminate, except only the right of the holders thereof to receive from such bank or trust company at any time after the time of such deposit the funds so deposited, without interest. The aforesaid bank or trust company shall be a bank or trust

company organized and in good standing under the laws of the United States of America or of the State of New York, doing business in the Borough of Manhattan, The City of New York, having capital surplus and undivided profits aggregating at least \$50,000,000 according to its latest published statement of condition, and shall be identified in the notice of redemption. Any interest accrued on such funds shall be for the benefit of the Corporation. Any funds so set aside or deposited, as the case may be, and unclaimed at the end of one year from such redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which repayment the holders of the shares so called for redemption shall look only to the Corporation for payment thereof.

(e) Any shares of the Series Z Preferred Stock that shall at any time have been redeemed shall, after such redemption, have the status of authorized but unissued shares of Preferred Stock, without designation as to series until such shares are once again designated as part of a particular series by the Board of Directors.

(f) Notwithstanding the foregoing provisions of this Section 3, unless the full cumulative dividends on all outstanding shares of the Series Z Preferred Stock shall have been paid or contemporaneously are declared and paid for all past Quarterly Dividend Periods, no shares of the Series Z Preferred Stock shall be redeemed unless all outstanding shares of the Series Z Preferred Stock are simultaneously redeemed, and neither the Corporation nor a subsidiary of the Corporation shall purchase or otherwise acquire for valuable consideration any shares of the Series Z Preferred Stock, provided, however, that the foregoing shall not prevent the purchase or

acquisition of shares of the Series Z Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all the outstanding shares of the Series Z Preferred Stock and mailed to the holders of record of all such outstanding shares at such holders' addresses as the same appear on the books of the Corporation and provided further that if some, but less than all, of the shares of the Series Z Preferred Stock are to be purchased or otherwise acquired pursuant to such purchase or exchange offer and the number of shares so tendered exceeds the number of shares so to be purchased or otherwise acquired by the Corporation, the shares of the Series Z Preferred Stock so tendered will be purchased or otherwise acquired by the Corporation on a pro rata basis according to the number of such shares duly tendered by each

holder so tendering shares of the Series Z Preferred Stock for such purchase or exchange.

(g) If all the outstanding shares of the Series Z Preferred Stock shall not have been redeemed on or prior to September 15, 1998, each holder of the shares of the Series Z Preferred Stock remaining outstanding shall have the right to require that the Corporation repurchase such holder's shares, in whole, at a purchase price (the "Purchase Price") in cash equal to 100% of the liquidation value of such share, together with all accrued and unpaid dividends on such shares to the date of such repurchase (the "Repurchase Date"), in accordance with the procedures set forth below.

Within 30 days prior to September 15, 1998, the Corporation shall send by first-class mail, postage prepaid, to each holder of the shares of the Series Z Preferred Stock, at its address as the same appears on the books of the Corporation, a notice stating the Repurchase Date, which shall be no earlier than 45 days nor later than 60 days from the date such notice is mailed, and the instructions a holder must follow in order to have his shares of the Series Z Preferred Stock repurchased in accordance with this Section 3. Holders electing to have shares of the Series Z Preferred Stock repurchased will be required to surrender the certificate or certificates representing such shares to the Corporation at the address specified in the notice at least five business days prior to the Repurchase Date.

4. Conversion or Exchange; Sinking Fund. The holders of shares of the Series Z Preferred Stock shall not have any rights herein to convert such shares into, or exchange such shares for, shares of any other class or classes or of any other series of any class or classes of capital stock of the Corporation; nor shall the holders of shares of the Series Z Preferred Stock be entitled to the benefits of a sinking fund in respect of their shares of the Series Z Preferred Stock.

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5. Voting. (a) Except as otherwise provided in this Section 5 or as otherwise required by law, the Series Z Preferred Stock shall have no voting rights.

(b) If six quarterly dividends (whether or not consecutive) payable on shares of Series Z Preferred Stock are in arrears at the time of the record date to determine stockholders for any annual meeting of stockholders of the

Corporation, the number of directors of the Corporation shall be increased by two, and the holders of shares of Series Z Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) shall be entitled at such annual meeting of stockholders to elect two directors of the Corporation, with the remaining directors of the Corporation to be elected by the holders of shares of any other class or classes or series of stock entitled to vote therefor. In any such election, holders of shares of Series Z Preferred Stock shall have one vote for each share held.

At all meetings of stockholders at which holders of Preferred Stock shall be entitled to vote for Directors as a single class, the holders of a majority of the outstanding shares of all classes and series of capital stock of the Corporation having the right to vote as a single class shall be necessary to constitute a quorum, whether present in person or by proxy, for the election by such single class of its designated Directors. In any election of Directors by stockholders voting as a class, such Directors shall be elected by the vote of at least a plurality of shares held by such stockholders present or represented at the meeting. At any such meeting, the election of Directors by stockholders voting as a class shall be valid notwithstanding that a quorum of other stockholders voting as one or more classes may not be present or represented at such meeting.

(c) Any director who has been elected by the holders of shares of Series Z Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) may be removed at any time, with or without cause, only by the affirmative vote of the holders of the shares at the time entitled to cast a majority of the votes entitled to be cast for the election of any such director at a special meeting of such holders called for that purpose, and any vacancy thereby created may be filled by the vote of such holders. If a vacancy occurs among the Directors elected by such stockholders voting as a class, other than by removal from office as set forth in the preceding sentence, such vacancy may be filled by the remaining Director so elected, or his or her successor then in office, and the

Director so elected to fill such vacancy shall serve until the next meeting of stockholders for the election of Directors.

(d) The voting rights of the holders of Series Z Preferred Stock to elect Directors as set forth above shall continue until all dividend arrearages on the Series Z Preferred Stock have been paid or declared and set apart for payment. Upon the termination of such voting rights, the terms of office of all persons who may have been elected pursuant to such voting rights shall immediately terminate, and the number of directors of the Corporation shall be decreased by two.

(e) Without the consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of the total number of shares of Preferred Stock then outstanding, voting separately as a class without regard to series, with the holders of shares of Series Z Preferred Stock being entitled to cast one vote per share, the Corporation may not:

(i) create any class of stock that shall have preference as to dividends or distributions of assets over the Series Z Preferred Stock; or

(ii) alter or change the provisions of the Certificate of Incorporation (including any Certificate of Amendment or Certificate of Designation relating to the Series Z Preferred Stock) so as to adversely affect the powers, preferences or rights of the holders of shares of Series Z Preferred Stock; provided, however, that if such creation or such alteration or change would adversely affect the powers, preferences or rights of one or more, but not all, series of Preferred Stock at the time outstanding, such alteration or change shall require consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of all of the shares of all such series so affected, voting as a class.

6. Liquidation Rights. (a) Upon the dissolution, liquidation or winding up of the Corporation, the holders of the shares of the Series Z Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to stockholders, before any payment or distribution shall be made on the Common Stock or on any other class or series of stock ranking junior to shares of the Series Z Preferred Stock as to amounts distributable on dissolution, liquidation or winding up, \$45,000 per share, plus an amount equal to all dividends (whether or not earned or declared) on such shares accrued and unpaid thereon to the date of final distribution.

(b) Neither the merger or consolidation of the Corporation into or with any other corporation nor the merger or consolidation of any other corporation into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, of the Corporation for the purpose of this Section 6.

(c) After the payment to the holders of the shares of the Series Z Preferred Stock of the full preferential amounts provided for in this Section 6, the holders of the Series Z Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(d) In the event the assets of the Corporation available for distribution to the holders of shares of the Series Z Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to paragraph (a) of this Section 6, the holders of shares of the Series Z Preferred Stock and of any shares of Preferred Stock of any series or any other stock of the Corporation ranking, as to the amounts distributable upon dissolution, liquidation or winding up, on a parity with the Series Z Preferred Stock, shall share ratably in any distribution in proportion to the full respective preferential amounts to which they are entitled.

7. Ranking of Stock of the Corporation. In respect of the Series Z Preferred Stock, any stock of any class or classes of the Corporation shall be deemed to rank:

(a) prior to the shares of the Series Z Preferred Stock or prior to the Series Z Preferred Stock, either as to dividends or upon liquidation, if the holders of such stock shall be entitled to either the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of the Series Z Preferred Stock;

(b) on a parity with shares of the Series Z Preferred Stock or on a parity with the Series Z Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, redemption amounts per share or liquidation values per share or sinking fund provisions, if any, are different from those of the Series Z Preferred Stock, if the holders of such stock shall be entitled

to either the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in proportion to their respective dividend rates or liquidation values, without preference or priority, one over the other, as

between the holders of such stock and the holders of shares of the Series Z Preferred Stock, provided in any such case such stock does not rank prior to the Series Z Preferred Stock; and

(c) junior to shares of the Series Z Preferred Stock or junior to the Series Z Preferred Stock, as to dividends and upon liquidation, if such stock shall be Common Stock or if the holders of shares of the Series Z Preferred Stock shall be entitled to receipt of dividends and of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of such stock.

The Series Z Preferred Stock is on a parity with the 8.125% Cumulative Preferred Stock, Series A, of the Corporation, heretofore authorized for issuance by the Corporation.

8. Definition. When used herein, the term "subsidiary" shall mean any corporation a majority of whose voting stock ordinarily entitled to elect directors is owned, directly or indirectly, by the Corporation.

9. Limitation on Dividends on Junior Stock. So long as any Series Z Preferred Stock shall be outstanding, without the consent of the holders of two-thirds of the shares of the Series Z Preferred Stock then outstanding the Corporation shall not declare any dividends on the Common Stock or any other stock of the Corporation ranking as to dividends or distributions of assets junior to the Series Z Preferred Stock (the Common Stock and any such other stock being herein referred to as "Junior Stock"), or make any payment on account of, or set apart money for, a sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Junior Stock, or make any distribution in respect thereof, whether in cash or property or in obligations or stock of the Corporation, other than a distribution of Junior Stock (such dividends, payments, setting apart and distributions being herein called "Junior Stock Payments"), unless the following conditions shall be satisfied at the date of such declaration in the case of any such dividend, or the date of such setting apart in the case of any such fund, or the date of such payment or distribution in the case of any other Junior Stock Payment:

(a) full cumulative dividends shall have been paid or declared and set apart for payment on all outstanding shares of

Preferred Stock other than Junior Stock; and

(b) the Corporation shall not be in default or in arrears with respect to any sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Preferred Stock other than Junior Stock;

provided, however, that any funds theretofore deposited in any sinking fund or other similar fund with respect to any Preferred Stock in compliance with the provisions of such sinking fund or other similar fund may thereafter be applied to the purchase or redemption of such Preferred Stock

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in accordance with the terms of such sinking fund or other similar fund regardless of whether at the time of such application full cumulative dividends upon shares of Series Z Preferred Stock outstanding to the last dividend payment date shall have been paid or declared and set apart for payment by the Corporation.

10. Waiver, Modification and Amendment. Notwithstanding any other provisions relating to the Series Z Preferred Stock, any of the rights or benefits of the holders of the Series Z Preferred Stock may be waived, modified or amended with the consent of the holders of all of the then outstanding shares of Series Z Preferred Stock. Any such waiver, modification or amendment shall be deemed to have the same effect as satisfaction in full of any such right or benefit as though actually received by such holders.

FIFTH: The Directors need not be elected by written ballot unless and to the extent the By-Laws so require.

SIXTH: The books and records of the Corporation may be kept (subject to any mandatory requirement of law) outside the State of Delaware at such place or places as may be determined from time to time by or pursuant to authority granted by the Board of Directors or by the By-Laws.

SEVENTH: (A) The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the entire Board of Directors. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. Class I directors shall be elected initially for a one-year term, Class II directors initially for a two-year term and Class III directors initially for a three-year term. At each succeeding annual meeting of stockholders beginning in 1989, successors to the class of directors whose term expires at that annual meeting shall be elected for a

three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring in the Board of Directors may be filled by a majority of the directors then in office, even if less than a quorum, or a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors

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shall have the same remaining term as that of his predecessor. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article SEVENTH unless expressly provided by such terms.

B. Notwithstanding any other provision of this Certificate of Incorporation, the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the shares entitled to vote at an election of directors shall be required to amend, alter, change or repeal, or to adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of, this Article SEVENTH.

EIGHTH: A. In addition to any affirmative vote required by law or this Certificate of Incorporation or the By-Laws of the Corporation, and except as otherwise expressly provided in Section B of this Article EIGHTH, a Business Combination (as hereinafter defined) shall require the affirmative vote of not less than sixty-six and two-thirds percent (66 2/3%) of the votes entitled to be cast by the holders of all the then outstanding shares of Voting Stock (as hereinafter defined), voting together as a single class, excluding from such number of outstanding shares and from such required vote, Voting Stock beneficially owned by any Interested Stockholder (as hereinafter defined). Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage or separate class vote may be specified, by law or in any

agreement with any national securities exchange or otherwise.

B. The provisions of Section A of this Article EIGHTH shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote, if any, as is required by law or by any other provision of this Certificate of Incorporation or the By-Laws of the Corporation or otherwise, if all of the conditions specified in either of the following Paragraphs 1 or 2 are met; provided, however, that in the case of a Business Combination that does not involve the payment of consideration to the holders of the Corporation's outstanding Capital Stock (as hereinafter defined), then the provisions of Section A of this Article EIGHTH must be satisfied unless the conditions specified in the following Paragraph 1 are met:

1. The Business Combination shall have been approved (and such approval not subsequently rescinded) by a majority of the Continuing Directors (as hereinafter defined), either specifically or as a transaction which is within an approved category of transactions with an Interested Stockholder. Such approval may be given prior to or subsequent to the acquisition of, or announcement or public disclosure of the intention to acquire, beneficial ownership of the Voting Stock that caused the Interested Stockholder to become an Interested Stockholder; provided, however, that approval shall be effective for the purposes of this

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Paragraph 1 only if obtained at a meeting at which a Continuing Director Quorum (as hereinafter defined) was present; and provided further, that such approval may be rescinded by a majority of the Continuing Directors at any meeting at which a Continuing Director Quorum is present and which is held prior to consummation of the proposed Business Combination.

2. All of the following conditions, if applicable, shall have been met:

The aggregate amount of cash and the Fair Market Value (as hereinafter defined), as of the date of the consummation of the Business Combination (the "Consummation Date"), of consideration other than cash to be received per share by holders of shares of any class or series of outstanding Capital Stock in such Business Combination shall be at least equal to the amount determined, as applicable, under Paragraph 2(a) or 2(b) below:

(a) if the Fair Market Value per share of such class or series of Capital Stock on the date of the first public announcement of the proposed Business Combination (the "Announcement Date") is less than the Fair Market Value per share of such class or series of Capital Stock on the date on which the Interested Stockholder became an Interested

Stockholder (the "Determination Date"), an amount (the "Premium Capital Stock Price") equal to the sum of (i) the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date plus (ii) the product of the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date multiplied by the highest percentage premium over the closing sale price per share of such class or series of Capital Stock paid on any day by or on behalf of the Interested Stockholder for any share of such class or series of Capital Stock in connection with the acquisition by the Interested Stockholder of beneficial ownership of shares of such class or series of Capital Stock within the two-year period immediately prior to the Announcement Date or in the transaction in which it became an Interested Stockholder; provided, however, that if the Premium Capital Stock Price as determined above is greater than the highest per share price paid by or on behalf of the Interested Stockholder for any share of such class or series of Capital Stock in connection with the acquisition by the Interested Stockholder of beneficial ownership of shares of such class or series of Capital Stock within the two-year period immediately prior to the Announcement Date, the amount required under this Paragraph 2(a) shall be the higher of (A) such highest price paid by or on behalf of the Interested Stockholder, and (B) the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date (the Fair Market Value and other prices per share of such class or series of Capital Stock referred to in this Paragraph 2(a) shall be in each case appropriately adjusted for any subsequent stock split, stock

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dividend, subdivision or reclassification with respect to such class or series of Capital Stock); or

(b) if the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date is greater than or equal to the Fair Market Value per share of such class or series of Capital Stock on the Determination Date, in each case as appropriately adjusted for any subsequent stock split, stock dividend, subdivision or reclassification with respect to such class or series of Capital Stock, a price per share equal to the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date.

The provisions of this Paragraph 2 shall be required to be met with respect to every class or series of outstanding Capital Stock which is the subject of the Business Combination whether or not the Interested Stockholder has previously acquired beneficial ownership of any shares of a

particular class or series of Capital Stock.

(c) After the Determination Date and prior to the Consummation Date of such Business Combination: (i) except as approved by a majority of the Continuing Directors at a meeting at which a Continuing Director Quorum is present, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) payable in accordance with the terms of any outstanding Capital Stock; (ii) there shall have been an increase in the annual rate of dividends paid on the Common Stock as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction that has the effect of reducing the number of outstanding shares of Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Continuing Directors at a meeting at which a Continuing Director Quorum is present; and (iii) such Interested Stockholder shall not have become the beneficial owner of any additional shares of Capital Stock except as part of the transaction that results in such Interested Stockholders becoming an Interested Stockholder and except in a transaction that, after giving effect thereto, would not result in any increase in the Interested Stockholder's percentage beneficial ownership of any class or series of Capital Stock.

(d) After the Determination Date, such Interested Stockholder shall not have received the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Business Combination or otherwise.

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(e) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (the "Act") (or any subsequent provisions replacing such Act, rules or regulations), shall be mailed to all stockholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions). The proxy or information statement shall contain on the first page thereof, in a prominent place, any statement as to the

advisability (or inadvisability) of the Business Combination that the Continuing Directors, or any of them, may choose to make and, if deemed advisable by a majority of the Continuing Directors, the opinion of an investment banking firm selected by a majority of the Continuing Directors as to the fairness (or not) of the terms of the Business Combination from a financial point of view to the holders of the outstanding shares of Capital Stock other than the Interested Stockholder and its Affiliates or Associates (as hereinafter defined), such investment banking firm to be paid a reasonable fee for its services by the Corporation.

(f) Such Interested Stockholder shall not have made any major change in the Corporation's business or equity capital structure without the approval of at least a majority of the Continuing Directors.

C. The following definitions shall apply with respect to this Article EIGHTH:

1. The term "Business Combination" shall mean:

(a) any merger or consolidation of the Corporation or any Major Subsidiary (as hereinafter defined) with, or any sale, lease, exchange, transfer or other disposition of substantially all the assets or outstanding shares of capital stock of the Corporation or any Major Subsidiary with or for the benefit of, (i) any Interested Stockholder or (ii) any other company (whether or not itself an Interested Stockholder) which is or after such merger, consolidation or sale, lease, exchange, transfer or other disposition would be an Affiliate or Associate of an Interested Stockholder; or

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition or security arrangement, investment, loan, advance, guarantee, agreement to purchase, agreement to pay, extension of credit, joint venture participation or other arrangement (in one transaction or a series of transactions) with or for the benefit of any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder involving any assets, securities or

commitments of the Corporation, any Major Subsidiary or any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder having an aggregate Fair Market Value and/or involving aggregate commitments of Twenty-Five Million dollars (\$25,000,000) or more; or

(c) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries (as hereinafter defined) or any other transaction (whether or not with or otherwise involving an Interested Stockholder) that has the effect, directly or indirectly, of increasing the proportionate share of any class or series of Capital Stock, or any securities convertible into Capital Stock or into equity securities of any Subsidiary, that is beneficially owned by any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder; or

(d) any agreement, contract or other arrangement providing for any one or more of the actions specified in the foregoing clauses (a) to (d);

provided, however, that no such aforementioned transaction shall be deemed to be a Business Combination subject to this Article EIGHTH if the Announcement Date of such transaction occurs more than eighteen months after the Determination Date with respect to such Interested Stockholder.

2. The term "Capital Stock" shall mean all capital stock of the Corporation authorized to be issued from time to time under Article FOURTH of this Certificate of Incorporation, including, without limitation, the Common Stock, and the term "Voting Stock" shall mean all Capital Stock which by its terms may be voted on all matters submitted to stockholders of the Corporation generally.

3. The term "person" shall mean any individual, firm, company or other entity and shall include any group comprised of any person and any other person with whom such person or any Affiliate or Associate of such person has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of Capital Stock.

4. The term "Interested Stockholder" shall mean any person (other than the Corporation or any Subsidiary and other than any profit-sharing, employee stock ownership or other employee benefit plan of the Corporation or any trustee of or fiduciary with respect to any such plan when acting in such capacity) who (a) is, or has announced or publicly disclosed a plan or intention to become, the beneficial owner of Voting Stock representing twenty-five percent (25%) or more of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock; or (b) is an Affiliate or Associate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner of Voting Stock representing twenty-five percent (25%)

or more of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock.

5. A person shall be a "beneficial owner" of any Capital Stock (a) which such person or any of its Affiliates or Associates beneficially owns directly or indirectly; (b) which such person or any of its Affiliates or Associates has, directly or indirectly, (i) the right to acquire (whether such right is exercisable immediately or subject only to the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement or understanding; or (c) which is beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Capital Stock. For the purposes of determining whether a person is an Interested Stockholder pursuant to Paragraph 4 of this Section C, the number of shares of Capital Stock deemed to be outstanding shall include shares deemed beneficially owned by such person through application of this Paragraph 5 of Section C, but shall not include any other shares of Capital Stock that may be reserved for issuance or issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

6. The terms "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 under the Act as in effect on the date that this Article EIGHTH is approved and adopted by the Sole Incorporator (the term "registrant" in said Rule 12b-2 meaning in this case the Corporation); provided, however, that the terms "Affiliate" and "Associate" shall not include any profit-sharing, employee stock ownership or other employee benefit plan of the Corporation or any trustee of or fiduciary with respect to any such plan when acting in such capacity.

7. The term "Subsidiary" means any company of which a majority of any class of equity security is beneficially owned by the Corporation; provided, however, that for the purposes of the definition of Interested Stockholder set forth in Paragraph 4 of this Section C, the term "Subsidiary" shall mean only a company of which a majority of each class of equity security is beneficially owned by the Corporation.

8. The term "Major Subsidiary" means a Subsidiary having assets of twenty-five million dollars (\$25,000,000) or more as reflected in the most recent fiscal year-end audited, or if unavailable, unaudited, consolidated balance sheet, prepared in accordance with applicable state insurance law with respect to Subsidiaries engaged in an insurance business, and in accordance with generally accepted accounting principles with respect to Subsidiaries engaged in a business other than an insurance business.

9. The term "Continuing Director" means any member of the

of the Interested Stockholder and who was a member of the Board of Directors prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor of a Continuing Director while such successor is a member of the Board of Directors, who is not an Affiliate or Associate or representative of the Interested Stockholder and who is recommended or elected to succeed the Continuing Director by a majority of the Continuing Directors; provided, however, that the term "Continuing Director" shall not include any officer of the Corporation or of any Affiliate or Associate of the Corporation.

10. The term "Fair Market Value" means (a) in the case of cash, the amount of such cash; (b) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Act on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any similar system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by a majority of the Continuing Directors in good faith; and (c) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined in good faith by a majority of the Continuing Directors.

11. The term "Continuing Director Quorum" means at least two (2) Continuing Directors capable of exercising the power conferred upon them under the provisions of the Certificate of Incorporation and By-Laws of the Corporation.

12. In the event of any Business Combination in which the Corporation survives, the phrase "consideration other than cash to be received" as used in Paragraph 2 of Section B of this Article EIGHTH shall include the shares of Common Stock and/or the shares of any other class or series of Capital Stock retained by the holders of such shares.

D. A majority of the Continuing Directors at a meeting at which a Continuing Director Quorum is present shall have the power and duty to determine the purposes of this Article EIGHTH, on the basis of information known to them after reasonable inquiry, and to determine all

questions arising under this Article EIGHTH, including, without limitation, (a) whether a person is an Interested Stockholder, (b) the number of shares of Capital Stock or other securities beneficially owned by any person, (c) whether a person is an Affiliate or Associate of another, (d) whether the assets that are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of twenty-five million dollars (\$25,000,000) or

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more as provided in Paragraph 1(b) of Section C of this Article EIGHTH and (e) whether a Subsidiary is a Major Subsidiary. Any such determination made in good faith shall be binding and conclusive on all parties. In the event a Continuing Director Quorum cannot be attained at such meeting, all such determinations shall be made by the Delaware Court of Chancery.

E. Nothing contained in this Article EIGHTH shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

F. The fact that any Business Combination complies with the provisions of Section B of this Article EIGHTH shall not be construed to impose any fiduciary duty, obligation or responsibility on the Board of Directors, or any member thereof, to approve such Business Combination or recommend its adoption or approval to the stockholders of the Corporation, nor shall such compliance limit, prohibit or otherwise restrict in any manner the Board of Directors, or any member thereof, with respect to evaluations of or actions and responses taken with respect to such Business Combination.

G. Notwithstanding any other provisions of this Certificate of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Certificate of Incorporation or the By-Laws of the Corporation), the affirmative vote of the holders of not less than sixty-six and two-thirds percent (66 2/3%) of the votes entitled to be cast by the holders of all the then outstanding shares of Voting Stock, voting together as a single class, excluding Voting Stock beneficially owned by any Interested Stockholder, shall be required to amend, alter, change or repeal, or adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of, this Article EIGHTH; provided, however, that this Section G shall not apply to, and such sixty-six and two-thirds percent (66 2/3%) vote shall not be required for, any amendment, repeal or adoption recommended by the affirmative vote of at least seventy-five percent (75%) of the entire Board of Directors if all of such directors voting for such recommendation are persons who would be eligible to serve as Continuing Directors within the meaning of Section C, Paragraph 9 of this Article EIGHTH.

NINTH: In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to adopt, amend, alter or repeal the Corporation's By-Laws. The affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the entire Board of Directors shall be required to adopt, amend, alter or repeal the Corporation's By-Laws. Notwithstanding any other provisions of this Certificate of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Certificate of Incorporation or the By-Laws of the Corporation), the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the shares entitled to vote at an election of directors shall be required to adopt, amend, alter or repeal, or adopt any provision as part of this

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Certificate of Incorporation inconsistent with the purpose and intent of, this Article NINTH.

TENTH: No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

ELEVENTH: Except as provided in Articles FOURTH, SEVENTH, EIGHTH and NINTH of this Certificate of Incorporation, the Corporation reserves the right to amend and repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware, and all rights of stockholders shall be subject to this reservation.

THE UNDERSIGNED, being a Senior Vice President of the Corporation, does hereby certify that the Corporation has restated its Certificate of Incorporation as set forth above, does hereby certify that such restatement has been duly adopted by the Board of Directors of the Corporation in accordance with the applicable provisions of Section 245 of the General Corporation Law of the State of Delaware, and does hereby make and file this Restated Certificate of Incorporation.

Dated: March 29, 1994

/s/ Charles O. Prince, III

Charles O. Prince, III
Senior Vice President

ATTEST:

/s/ Mark J. Amrhein

Mark J. Amrhein
Assistant Secretary

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Certificate of Designation
of
Cumulative Adjustable Rate Preferred Stock, Series Y
of
The Travelers Inc.

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

The Travelers Inc., a Delaware corporation (the "Corporation"), hereby certifies that:

1. The Restated Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") fixes the total number of shares of all classes of capital stock that the Corporation shall have the authority to issue at five hundred million (500,000,000) shares of common stock, par

value \$.01 per share ("Common Stock"), and thirty million (30,000,000) shares of preferred stock, par value \$1.00 per share ("Preferred Stock").

2. The Certificate of Incorporation expressly grants to the Board of Directors of the Corporation (the "Board of Directors") authority to provide for the issuance of the shares of Preferred Stock in series, and to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

3. Pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation, the Board of Directors, by action duly taken on March 23, 1994, adopted resolutions providing for the Cumulative Adjustable Rate Preferred Stock, Series Y (the "Series Y Preferred Stock") as follows:

RESOLVED, that an issue of a series of Preferred Stock is hereby provided for, and the number of shares to be included in such series is established, and the designation, powers, preference and rights, and qualifications, limitations or restrictions of such series are fixed hereby as follows:

CUMULATIVE ADJUSTABLE RATE PREFERRED STOCK, SERIES Y

1. Designation and Number of Shares. The designation of such series shall be Cumulative Adjustable Rate Preferred Stock, Series Y (the "Series Y Preferred Stock"), and the number of shares constituting such series shall be 5,000. Shares of the Series Y Preferred Stock shall have a par value of \$1.00 per share, and the amount of \$100,000 shall be the "liquidation value" of each share of the Series Y Preferred Stock.

The number of authorized shares of Series Y Preferred Stock may be reduced (but not below the number of shares thereof then outstanding) by further resolution duly adopted by the Board of Directors or the Executive Committee and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such reduction has been so authorized, but the number of authorized shares of Series Y Preferred Stock shall not be increased.

2. Dividends. (a) Dividends on each share of Series Y Preferred Stock shall be payable with respect to each quarter beginning on the last day of March, June, September and December of each year and ending on the day immediately prior to the first day of the next succeeding period ("Quarterly Dividend Period"), in arrears, payable commencing on June 30, 1994, and on each September 30, December 31, March 31 and June 30 thereafter with respect to the quarter then ended, provided that if such day is not a Business Day (as hereinafter defined), such dividend shall be paid on the next succeeding Business Day (each a "Dividend Payment Date"), at a rate per annum equal to the Applicable Rate (as determined in accordance with paragraph (b) or (c) of this Section 2, as applicable) in effect for the Quarterly Dividend Period to which such dividend relates, multiplied by the liquidation value of each such share. Such dividends shall be cumulative from March 31, 1994, and shall be payable, when and as declared by the Board of Directors, out of assets legally available for such purpose, on each Dividend Payment Date as set forth above. Each such dividend shall be paid to the holders of record of shares of the Series Y Preferred Stock as they appear on the books of the Corporation on such record date, not exceeding 30 days preceding the payment date thereof, as shall be fixed in advance by the Board of Directors of the Corporation. Dividends in arrears for any past

Quarterly Dividend Periods may be declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors of the Corporation.

(b) The Applicable Rate for each Quarterly Dividend Period commencing prior to December 31, 1995 shall be 4.85%.

(c) The Applicable Rate for each Quarterly Dividend Period commencing on or after December 31, 1995, shall be equal to the greater of (i) the Short Term Rate (as hereinafter defined) on the Business Day immediately preceding the Dividend Payment Date for the immediately preceding Quarterly Dividend Period (the "Dividend Reset Date"), and (ii) 4.85%.

(d) "Short Term Rate" shall mean a rate equal to (i) 85% of the Commercial Paper Rate (as hereinafter defined) if on the Dividend Reset Date either (x) the rating for the Preferred Stock of the Corporation published by Moody's Investors Service Inc. ("Moody's") is "A2" or lower or the rating for the Preferred Stock of the Corporation published by Standard & Poor's Corporation ("S&P") is "A" or lower, or (y) the Preferred Stock of the Corporation is not rated by both Moody's and S&P, and (ii) 78% of the Commercial Paper Rate if the rating for the Preferred Stock of the

Corporation published by Moody's is "Aa2" or higher and the rating for the Preferred Stock of the Corporation published by

S&P is "AA" or higher.

(e) "Commercial Paper Rate" shall mean, on any Dividend Reset Date, a rate equal to the Money Market Yield (calculated as described below) of the 90-day rate for commercial paper, as made available and subsequently published in H.15(519) under the heading "Commercial Paper" for such date. In the event that such rate is not made available by 3:00 P.M., New York City time, on such Dividend Reset Date, then the Commercial Paper Rate shall be the Money Market Yield of the 90-day rate on such Dividend Reset Date for commercial paper as made available and subsequently published in Composite Quotations under the heading "Commercial Paper." If by 3:00 P.M., New York City time, on such Dividend Reset Date such rate has not yet been made available in either H.15(519) or Composite Quotations, the Commercial Paper Rate for such Dividend Reset Date shall be the Money Market Yield of the arithmetic mean of the offered rates as of 11:00 A.M., New York City time, on such Dividend Reset Date of three leading dealers of commercial paper in the city of New York selected by the Corporation for 90-day commercial paper placed for an industrial issuer whose senior unsecured bond rating is "AA" or the equivalent from a nationally recognized securities rating agency; provided, however, that if the dealers selected as aforesaid are not quoting as mentioned in this sentence, the Commercial Paper Rate with respect to such Dividend Reset Date will be the Commercial Paper Rate in effect on the immediately preceding Dividend Reset Date.

(f) "Money Market Yield" shall be a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{x}{360 - (D \times M)} \times 100$$

where "D" refers to the per annum rate for the commercial paper quoted on a bank discount basis and expressed as a decimal; and "M" refers to the actual number of days in the interest period for which interest is being calculated.

(g) "Business Day" means any day that is not a Saturday, Sunday or a legal holiday in the State of New York.

(h) Dividends payable on the Series Y

Preferred Stock for any Quarterly Dividend Period ending prior to December 31, 1995 shall be computed on the basis of one-fourth of the Applicable Rate. Dividends payable on the Series Y Preferred Stock for any Quarterly Dividend Period beginning on or after December 31, 1995 shall be computed on the basis of the actual number of days elapsed in the period for which such dividends are payable (whether a full or partial Quarterly Dividend Period) and based upon a year of 360 days. If the Corporation determines in good faith that for any reason the Applicable Rate cannot be determined for any Quarterly Dividend Period, then the

Applicable Rate in effect for the preceding Quarterly Dividend Period shall be continued for such Quarterly Dividend Period.

3. Optional Redemption. (a) The Corporation, at its sole option, out of funds legally available therefor, may redeem shares of the Series Y Preferred Stock, in whole or in part, on any Dividend Payment Date on or after December 31, 1995, at a redemption price of \$100,000 per share, plus, in each case, an amount equal to accrued and unpaid dividends thereon to the date fixed for redemption (the "Redemption Price").

(b) In the event that fewer than all the outstanding shares of the Series Y Preferred Stock are to be redeemed, the shares to be redeemed from each holder of record shall be determined by lot or pro rata as may be determined by the Board of Directors or by any other

method as may be determined by the Board of Directors in its sole discretion to be equitable.

(c) In the event the Corporation shall redeem shares of the Series Y Preferred Stock, written notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the books of the Corporation. Each such notice shall state: (i) the redemption date; (ii) the number of shares of the Series Y Preferred Stock to be redeemed and, in the case of a partial redemption pursuant to Section 3(b) hereof, the identification (by the number of the certificate or otherwise) of the shares of Series Y Preferred Stock to be redeemed; (iii) the Redemption Price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date.

(d) If notice of redemption shall have been duly given, and if, on or before the redemption date specified therein, all funds necessary for such redemption shall have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for shares so called for redemption shall not have been surrendered for cancellation, all shares so called for redemption shall no longer be deemed outstanding on and after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on redemption thereof, without interest.

If such notice of redemption shall have been duly given or if the Corporation shall have given to the bank or trust company hereinafter referred to irrevocable authorization promptly to give such notice, and if on or before the redemption date specified therein the funds necessary for such redemption shall have been deposited by the Corporation with such bank or trust company in trust for the pro rata benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for shares so called for redemption shall not have been surrendered for cancellation, from and after the time of such deposit, all shares so called for

deemed to be outstanding and all rights with respect to such shares shall forthwith cease and terminate, except only the right of the holders thereof to receive from such bank or trust company at any time after the time of such deposit the funds so deposited, without interest. The aforesaid bank or trust company shall be a bank or trust company organized and in good standing under the laws of the United States of America or of the State of New York, doing business in the Borough of Manhattan, The city of New York, having capital surplus and undivided profits aggregating at least \$50,000,000 according to its latest published statement of condition, and shall be identified in the notice of redemption. Any interest accrued on such funds shall be for the benefit of the Corporation. Any funds so set aside or deposited, as the case may be, and unclaimed at the end of one year from such redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which repayment the holders of the shares so called for redemption shall look only to the Corporation for payment thereof.

(e) Notwithstanding the foregoing provisions of this Section 3, unless the full cumulative dividends on all outstanding shares of the Series Y Preferred Stock shall have been paid or contemporaneously are declared and paid for all past Quarterly Dividend Periods, no shares of the Series Y Preferred Stock shall be redeemed unless all outstanding shares of the Series Y Preferred Stock are simultaneously redeemed, and neither the Corporation nor a subsidiary of the Corporation shall purchase or otherwise acquire for valuable consideration any shares of the Series Y Preferred Stock, provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of the Series Y Preferred Stock pursuant to a purchase or exchange offer

made on the same terms to holders of all the outstanding shares of the Series Y Preferred Stock and mailed to the holders of record of all such outstanding shares at such holders' addresses as the same appear on the books of the Corporation and provided further that if some, but less than all, of the shares of the Series Y Preferred Stock are to be purchased or otherwise acquired pursuant to such purchase or exchange offer and the number of shares so tendered exceeds the number of shares so to be purchased or otherwise acquired by the Corporation, the shares of the Series Y Preferred Stock so tendered will be purchased or otherwise acquired by the Corporation on a pro rata basis according to the number of such shares duly tendered by each holder so tendering shares of the Series Y Preferred Stock for such purchase or exchange.

(f) If all the outstanding shares of the Series Y Preferred Stock shall not have been redeemed on or prior to March 30, 1999, each holder of the shares of the Series Y Preferred Stock remaining outstanding shall have the right to require that the Corporation repurchase, on the Business Day next following such date or on the Business Day next following each fifth anniversary of such date thereafter (the "Repurchase Date"), all but not less than all of such holder's then outstanding shares at a purchase price (the "Purchase Price") in cash equal to 100% of the aggregate liquidation value of such shares, together with all accrued and unpaid dividends on such shares to but not including the Repurchase Date, in accordance with the procedures set forth below.

(g) Not less than 30 or more than 60 days prior to the Repurchase Date any holder who desires to cause the Corporation to repurchase such holder's shares of

Series Y Preferred Stock shall send by first-class mail, postage prepaid, to the Corporation at its principal executive offices, a notice stating (i) that such holder desires to cause the Corporation to repurchase such holder's shares of Series Y Preferred Stock, (ii) the number of shares to be repurchased, and (iii) the Repurchase Date. Holders electing to have shares of the Series Y Preferred Stock repurchased will be required to surrender the certificate or certificates representing such shares to the Corporation at least five business days prior to the Repurchase Date, and on the Repurchase Date the Corporation shall pay to such holder the Purchase Price.

(h) Any shares of the Series Y Preferred Stock that shall at any time have been redeemed or repurchased shall, after such redemption or repurchase, have the status of authorized but unissued shares of Preferred Stock, without designation as to series until such shares are once again designated as part of a particular series by the Board of Directors.

4. Conversion or Exchange; Sinking Fund. The holders of shares of the Series Y Preferred Stock shall not have any rights herein to convert such shares into, or exchange such shares for, shares of any other class or classes or of any other series of any class or classes of capital stock of the Corporation; nor shall the holders of shares of the Series Y Preferred Stock be entitled to the benefits of a sinking fund in respect of their shares of the Series Y Preferred Stock.

5. Voting. (a) Except as otherwise provided in this Section 5 or as otherwise required by law, the Series Y Preferred Stock shall have no voting rights.

(b) If six quarterly dividends (whether or not consecutive) payable on shares of Series Y Preferred Stock are in arrears at the time of the record date to determine stockholders for any annual meeting of stockholders of the Corporation, the number of directors of the Corporation shall be increased by two, and the holders of shares of Series Y Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) shall be entitled at such annual meeting of stockholders to elect two directors of the Corporation, with the remaining directors of the Corporation to be elected by the holders of shares of any other class or classes or series of stock entitled to vote therefor. In

any such election, holders of shares of Series Y Preferred Stock shall have one vote for each share held.

At all meetings of stockholders at which holders of Preferred Stock shall be entitled to vote for Directors as a single class, the holders of a majority of the outstanding shares of all classes and series of capital stock of the Corporation having the right to vote as a single class shall be necessary to constitute a quorum, whether present in person or by proxy, for the election by such single class of its designated Directors. In any election of Directors by stockholders voting as a class, such Directors shall be elected by the vote of at least a plurality of shares held by such stockholders present or represented at the meeting. At any such meeting, the election of Directors by stockholders voting as a class shall be valid notwithstanding that a quorum of other

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stockholders voting as one or more classes may not be present or represented at such meeting.

(c) Any director who has been elected by the holders of shares of Series Y Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) may be removed at any time, with or without cause, only by the affirmative vote of the holders of the shares at the time entitled to cast a majority of the votes entitled to be cast for the election of any such director at a special meeting of such holders called for that purpose, and any vacancy thereby created may be filled by the vote of such holders. If a vacancy occurs

among the Directors elected by such stockholders voting as a class, other than by removal from office as set forth in the preceding sentence, such vacancy may be filled by the remaining Director so elected, or his or her successor then in office, and the Director so elected to fill such vacancy shall serve until the next meeting of stockholders for the election of Directors.

(d) The voting rights of the holders of Series Y Preferred Stock to elect Directors as set forth above shall continue until all dividend arrearages on the Series Y Preferred Stock have been paid or declared and set apart for payment. Upon the termination of such voting rights, the terms of office of all persons who may have been elected pursuant to such voting rights shall immediately terminate, and the number of directors of the Corporation shall be decreased by two.

(e) Without the consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of the total number of shares of Preferred Stock then outstanding, voting separately as a class without regard to series, with the holders of shares of Series Y Preferred Stock being entitled to cast one vote per share, the Corporation may not:

(i) create any class of stock that shall have preference as to dividends or distributions of assets over the Series Y Preferred Stock; or

(ii) alter or change the provisions of the Certificate of Incorporation (including any Certificate of Amendment or Certificate of Designation relating to the Series Y Preferred Stock) so as to adversely affect the powers, preferences or rights of the holders of shares of Series Y Preferred Stock; provided, however, that if such creation or such alteration or change would adversely affect the powers, preferences or rights of one or more, but not all, series of Preferred Stock at the time outstanding, such alteration or change shall require consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of all of the shares of all such series so affected, voting as a class.

6. Liquidation Rights. (a) Upon the dissolution, liquidation or winding up of the Corporation, the holders of the shares of the Series Y

Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution

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to stockholders, before any payment or distribution shall be made on the Common Stock or on any other class or series of stock ranking junior to shares of the Series Y Preferred Stock as to amounts distributable on dissolution, liquidation or winding up, \$100,000 per share, plus an amount equal to all dividends (whether or not earned or declared) on such shares accrued and unpaid thereon to the date of final distribution.

(b) Neither the merger or consolidation of the Corporation into or with any other corporation nor the merger or consolidation of any other corporation into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, of the Corporation for the purpose of this Section 6.

(c) After the payment to the holders of the shares of the Series Y Preferred Stock of the full preferential amounts provided for in this Section 6, the holders of the Series Y Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(d) In the event the assets of the Corporation available for distribution to the holders of shares of the Series Y Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to paragraph (a) of this Section 6, the holders of shares of the Series Y Preferred Stock and of any

shares of Preferred Stock of any series or any other stock of the Corporation ranking, as to the amounts distributable upon dissolution, liquidation or winding up, on a parity with the Series Y Preferred Stock, shall share ratably in any distribution in proportion to the full respective preferential amounts to which they are entitled.

7. Ranking of Stock of the Corporation. In respect of the Series Y Preferred Stock, any stock of any class or classes of the Corporation shall be deemed to rank:

(a) prior to the shares of Series Y Preferred Stock, either as to dividends or upon liquidation, if the holders of such stock shall be entitled to either the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of the Series Y Preferred Stock;

(b) on a parity with shares of the Series Y Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, redemption amounts per share or liquidation values per share or sinking fund provisions, if any, are different from those of the Series Y Preferred Stock, if the holders of such stock shall be entitled to either the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in proportion to their respective dividend rates or liquidation values, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of the Series Y Preferred Stock, provided in any such case such stock does not rank prior to the Series Y Preferred Stock; and

(c) junior to shares of the Series Y Preferred Stock, as to dividends and upon liquidation, if such stock shall be Common Stock or if the holders of shares of the Series Y Preferred Stock shall be entitled to receipt of dividends and of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of such stock.

The Series Y Preferred Stock is on a parity with the 8.125% Cumulative Preferred Stock, Series A; the 5.50% Convertible Preferred Stock, Series B; the \$4.53 ESOP Convertible Preferred Stock, Series C; the 9.25% Preferred Stock, Series D; and the \$45,000 Cumulative Redeemable Preferred Stock, Series Z, of the Corporation heretofore authorized for issuance by the Corporation.

8. Definition. When used herein, the term "subsidiary" shall mean any corporation a majority of whose voting stock ordinarily entitled to elect directors is owned, directly or indirectly, by the Corporation.

9. Limitation on Dividends on Junior Stock. So long as any shares of Series Y Preferred Stock shall be outstanding, without the consent of the holders of two-thirds of the shares of the Series Y Preferred Stock then outstanding the Corporation shall not declare any dividends on the Common Stock or any other stock of the Corporation ranking as to dividends or distributions of assets junior to the Series Y Preferred Stock (the Common Stock and any such other stock being herein referred to as "Junior Stock"), or make any payment on account of, or set apart money for, a sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Junior Stock, or make any distribution in respect thereof, whether in cash or property or in obligations or stock of the Corporation, other than a distribution of Junior Stock (such dividends, payments, setting apart and distributions being herein called "Junior Stock Payments"), unless the following conditions shall be satisfied at the date of such declaration in the case of any such dividend, or the date of such setting apart in the case of any such fund, or the date of such payment or distribution in the case of any other Junior Stock Payment:

(a) full cumulative dividends shall have been paid or declared and set apart for payment on all outstanding shares of Preferred Stock other than Junior Stock; and

(b) the Corporation shall not be in default or in arrears with respect to any sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Preferred Stock other than Junior Stock;

provided, however, that any funds theretofore deposited in any sinking fund or other similar fund with respect to any Preferred Stock in compliance with the provisions of such sinking fund or other similar fund may thereafter be applied to the purchase or redemption of such Preferred Stock in accordance with the terms of such sinking fund or other similar fund regardless of whether at the time of such application full cumulative dividends upon

shares of Series Y Preferred Stock outstanding to the last dividend payment date shall have been paid or declared and set apart for payment by the Corporation.

10. Waiver, Modification and Amendment. notwithstanding any other provisions relating to the Series Y Preferred Stock, any of the rights or benefits of the holders of the Series Y Preferred Stock may be waived, modified or amended with the consent of the holders of all of the then outstanding shares of Series Y Preferred Stock. Any such waiver, modification or amendment shall be deemed to have the same effect as

satisfaction in full of any such right or benefit as though actually received by such holders.

The Travelers Inc. has caused this Certificate to be duly executed by its Senior Vice President, and attested by its Assistant Secretary this 30th day of March, 1994.

THE TRAVELERS INC.

/s/ Charles O. Prince, III
By _____
Charles O. Prince, III
Senior Vice President

Attest:

/s/ Mark J. Amrhein

Mark J. Amrhein
Assistant Secretary

BY-LAWS
OF
THE TRAVELERS INC.

ARTICLE I
LOCATION

SECTION 1. The location of the registered office of the Company in Delaware shall be in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 2. The Company shall, in addition to the registered office in the State of Delaware, establish and maintain an office within or without the State of Delaware or offices in such other places as the Board of Directors may from time to time find necessary or desirable.

ARTICLE II
CORPORATE SEAL

SECTION 1. The corporate seal of the Company shall have inscribed thereon the name of the Company and the year of its creation (1988) and the words "Incorporated Delaware."

ARTICLE III
MEETINGS OF STOCKHOLDERS

SECTION 1. The annual meeting of the stockholders, or any special meeting thereof, shall be held either in the City of Baltimore, State of Maryland, or at such other place as may be designated by the Board of Directors or by the Executive Committee, or by the officer or group of Directors calling any special meeting.

SECTION 2. Stockholders entitled to vote may vote at all meetings either in person or by proxy in writing. All

proxies shall be filed with the Secretary of the meeting before being voted upon.

SECTION 3. A majority in amount of the stock issued, outstanding and entitled to vote represented by the holders in person or by proxy shall be requisite at all meetings to constitute a quorum for the election of Directors or for the transaction of other business except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws. If at any annual or special meeting of the stockholders, a quorum shall fail to attend, a majority in interest attending in person

or by proxy may adjourn the meeting from time to time, not exceeding sixty days in all, without notice other than by announcement at the meeting (except as otherwise provided herein) until a quorum shall attend and thereupon any business may be transacted which might have been transacted at the meeting originally called had the same been held at the time so called. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 4. The annual meeting of the stockholders shall be held on such date and at such time as the Board of Directors or the Executive Committee may determine by resolution. Except as otherwise set forth in the Certificate of Incorporation of the Company, each holder of voting stock shall be entitled to one vote for each share of such stock standing registered in his or her name. All annual meetings shall be general meetings.

SECTION 5. The business to be transacted at the annual meeting shall include the election of Directors, consideration and action upon the reports of officers and Directors, the acts, contracts, transactions and proceedings of the officers, Directors, Executive Committee, and all other Committees of the Board and any other matters within the power of the Company which may be brought before the meeting.

SECTION 6. Notice of the annual meeting shall be mailed by the Secretary to each stockholder entitled to vote, at his or her last known post office address, at least ten days but not more than sixty days prior to the meeting.

SECTION 7. Special meetings of the stockholders may be called by the Chairman of the Board. A special meeting shall be called at the request, in writing, of a majority of the Board of Directors or of the Executive Committee, or by the vote of the Board of Directors or of the Executive Committee, or at the request, in writing, of the holders of Twenty Percent (20%) of the stock of the Company issued, outstanding and entitled to vote.

SECTION 8. Notice of each special meeting, indicating briefly the object or objects thereof, shall be mailed by the Secretary to each stockholder entitled to vote at his or her last known post office address, at least ten days but not more than sixty days prior to the meeting.

SECTION 9. If the entire Board of Directors becomes vacant, any stockholder may call a special meeting in the same manner that the Chairman of the Board may call such meeting, and Directors for the unexpired term may be elected at said special meeting in the manner provided for their election at annual meetings.

ARTICLE IV
DIRECTORS

SECTION 1. The affairs, property and business of the Company shall be managed and controlled by a Board of Directors, with the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the entire Board of Directors. The directors shall be divided into three classes, designated Class I, Class II and Class III, as provided in the Certificate of Incorporation of the Company. The election and term of directors shall be as provided in the Certificate of Incorporation, as amended, from time to time.

SECTION 2. Vacancies in the Board of Directors shall be filled as provided in the Certificate of Incorporation of the

Company, as amended from time to time.

ARTICLE V
POWERS OF THE DIRECTORS

SECTION 1. The Board of Directors shall have the management of the business of the Company, and, in addition to the powers and authorities by these By-laws expressly conferred upon them, may exercise all such powers and do all such acts and things, as may be exercised or done by the Company, but subject, nevertheless, to the provisions of the laws of the State of Delaware, of the Certificate of Incorporation and of these By-laws.

SECTION 2. The Directors and members of the Executive Committee and other committees appointed by the Board of Directors or by the Executive Committee as such shall not receive any stated salary for their services except where authorized by the Board of Directors, but, by resolution of the Board, a fixed sum and reasonable expenses may be allowed for attendance at each regular or special meeting, provided nothing herein contained shall be construed to preclude a Director or member of a committee from serving in any other capacity and receiving compensation therefor, but if he shall serve as an officer or employee of the Company or of any subsidiary company, receiving a salary, he shall be paid the actual expenses for attending meetings, but no other sums, except by the express order of the Board of Directors.

SECTION 3. The Company shall indemnify, to the fullest extent permissible under the General Corporation Law of the State of Delaware, or the indemnification provisions of any successor statute, any person, and the heirs and personal representatives of such person, against any and all judgments, fines, amounts paid in settlement and costs and expenses, including attorneys' fees, actually and reasonably incurred by or imposed upon such person in connection with, or resulting from any claim, action, suit or proceeding (civil, criminal, administrative or investigative) in which such person is a party or is threatened to be made a party by reason of such person being or having been a director, officer or employee of the Company, or of another corporation, joint venture, trust or other organization in which such person serves as a director, officer, employee or agent at the request of the Company, or by reason of such person being or having been an administrator or a member of any board or committee of this Company or of any such other organization, including, but not limited to, any administrator, board or committee related to any employee benefit plan.

The Company may advance expenses incurred in defending a civil or criminal action, suit or proceeding to any such director, officer, employee or agent upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, if it shall ultimately be determined that such person is not entitled to indemnification by the Company.

The foregoing right of indemnification and advancement of expenses shall in no way be exclusive of any other rights of indemnification to which any such person may be entitled, under any by-law, agreement, vote of shareholders or disinterested directors or otherwise, and shall inure to the benefit of the heirs and personal representatives of such person.

SECTION 4. Each Director and officer and each member of any committee designated by the Board of Directors shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or other records of the Company or of any of its subsidiaries, or upon reports made to

the Company or any of its subsidiaries by any officer of the Company or of a subsidiary or by an independent certified public accountant or by an appraiser selected with reasonable care by the Board of Directors or by any such committee.

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ARTICLE VI
MEETINGS OF THE DIRECTORS

SECTION 1. The Board of Directors shall meet as soon

as convenient after the annual meeting of stockholders in the City of Baltimore, State of Maryland, or at such other place as may be designated by the Board of Directors or the Executive Committee, for the purpose of organization and the transaction of any other business which may properly come before the meeting.

SECTION 2. Regular meetings of the Directors may be held without notice at such time and place as may be determined from time to time by resolution of the Board.

SECTION 3. One-third of the total number of Directors shall constitute a quorum except when the Board of Directors consists of one Director, then one Director shall constitute a quorum for the transaction of business, but the Directors present, though fewer than a quorum, may adjourn the meeting to another day. The vote of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 4. Special meetings of the Board may be called by the Board, the Executive Committee or the Chairman of the Board, on one day's notice, or other reasonable notice, to each Director, either personally, by mail or by wire, and may be held at such time as the Board of Directors, the Executive Committee or the officer calling said meeting may determine. Special meetings may be called in like manner on the request in writing of three Directors. If the Board of Directors or the Executive Committee so determine, such special meetings may be held at some place other than at the office of the Company in the City of Baltimore.

SECTION 5. In the absence of both the Secretary and an Assistant Secretary, the Board of Directors shall appoint a secretary to record all votes and the minutes of its proceedings.

SECTION 6. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a written consent to such action be signed by all of the members of the Board of Directors or committee as the case may be, and such written consent be filed with the minutes of the proceedings of the Board of Directors or such committee.

ARTICLE VII
STANDING COMMITTEES

SECTION 1. The Board of Directors may designate from their number standing committees and may invest them with all their own powers, except as otherwise provided in the General Corporation Law of the State of Delaware, subject to such conditions as they may prescribe, and all committees so appointed shall keep regular minutes of their transactions and shall cause them to be recorded in books kept for that purpose in the office of the Company, and shall report the same to the Board of Directors at their regular meeting.

ARTICLE VIII
EXECUTIVE COMMITTEE

SECTION 1. The Board of Directors may designate an Executive Committee of not more than ten nor fewer than two

persons from among their own number. One-third of the members of the Executive Committee shall constitute a quorum except when the Executive Committee consists of two, then one member shall constitute a quorum. Any vacancy on the Executive Committee shall be filled by the Board of Directors.

SECTION 2. The Executive Committee shall exercise all powers of the Board of Directors between the meetings of said Board except as otherwise provided in the General Corporation Law of the State of Delaware. No action of the Executive Committee shall become operative unless it has the affirmative vote of at least a majority of the members of the Executive Committee present and voting.

SECTION 3. Regular meetings of the Executive Committee shall be held without notice at such time and place as may be determined from time to time by resolution of the Executive Committee. Special meetings of the Executive Committee may be called at any time upon one day's notice, or other reasonable notice, either personally, by mail or by wire, by the Chairman of the Board, the Chairman of the Executive Committee, or by any two members of the Executive Committee.

SECTION 4. In the absence of both the Secretary and an Assistant Secretary, the Executive Committee shall appoint a secretary who shall keep regular minutes of the actions of the said Committee and report the same to the Board of Directors, which thereupon shall take action thereon.

SECTION 5. The Board of Directors may designate from the members of the Executive Committee a Chairman of the Executive Committee. If the Board of Directors should not make such designation, the Executive Committee may designate a Chairman of the Executive Committee.

ARTICLE IX
OFFICERS OF THE COMPANY

SECTION 1. The officers of the Company shall consist of a Chairman of the Board of Directors, a President, one or more Vice Presidents, a Controller, a Secretary and a Treasurer. There also may be such other officers and assistant officers as, from time to time, may be elected or appointed by the Board of Directors or by the Executive Committee.

ARTICLE X
OFFICERS - HOW CHOSEN

SECTION 1. At the first meeting after the annual meeting of stockholders, the Directors shall elect annually from among their own number a Chairman of the Board and a President. They shall also elect the several Vice Presidents, a Controller, a Secretary and a Treasurer, to hold office for one year or until others are elected and qualify in their stead or until their earlier resignation or removal.

SECTION 2. The Directors or the Executive Committee shall also elect or appoint such other officers and assistant officers as from time to time they may determine, and who shall hold office during the pleasure of the Board or of the Executive Committee.

ARTICLE XI
CHAIRMAN OF THE BOARD

SECTION 1. The Chairman of the Board shall be the Chief Executive Officer of the Company, and shall have general

supervision and direction over the business and policies of the Company, and over all the other officers of the Company and shall see that their duties are properly performed. He shall have all the powers conferred upon the President by these By-laws, except such as by the laws of the State of Delaware can be exercised only by the President or a Vice President.

SECTION 2. He shall be ex-officio a member of all standing committees, shall have the general powers and duties of the direction, supervision and management usually vested in the Chief Executive Officer of a corporation, and shall preside at all meetings of the Board of Directors. He shall see that all orders and resolutions of the Board of Directors and Executive Committee are carried into effect.

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SECTION 3. He shall submit reports of the current operations of the Company to the Board of Directors and Executive

Committee at their regular meetings, and annual reports to the stockholders.

ARTICLE XII
PRESIDENT

SECTION 1. The President shall be the Chief Operating Officer of the Company, and, if the President shall not also be the Chairman of the Board, shall be subordinate to the Chairman of the Board, shall have general supervision and direction over the business and policies of the Company, and over all the other officers of the Company, and shall see that their duties are properly performed.

SECTION 2. The President shall preside at all meetings of the Board of Directors in the absence of the Chairman of the Board.

SECTION 3. The President shall be ex-officio a member of all standing committees, and, in the absence of the Chairman of the Board, shall have the general powers and duties of the Chairman of the Board and of the supervision, direction and management usually vested in the office of a president or chief executive officer of a corporation.

ARTICLE XIII
VICE PRESIDENTS

SECTION 1. Each Vice President shall have such powers and perform such duties as may be assigned to him by the Board of Directors or Executive Committee, or, subject to Section 2 of Article XVII, by the Chairman of the Board or the President. The Board of Directors may add to the title of any Vice President such distinguishing designation as may be deemed desirable, which designation may reflect seniority, duties, or responsibilities of such Vice President. In the absence of the President, any Vice President designated by the Chairman of the Board may perform the duties and exercise the powers of the President.

ARTICLE XIV
CONTROLLER

SECTION 1. The Controller shall have charge of and supervise all accounting matters, the preparation of all accounting reports and statistics of the Company and its subsidiaries, and shall perform the duties usually incident to the office of the Controller. He shall submit such reports and records to the Board of Directors or the Executive Committee as may be requested by them, or by the Chairman of the Board or by the President.

ARTICLE XV
SECRETARY

SECTION 1. The Secretary shall attend all sessions of the Board of Directors and of the Executive Committee, and act as clerk thereof and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the Standing Committees when required.

SECTION 2. He shall see that proper notice is given of all meetings of the stockholders of the Company, of the Board of Directors and of the Executive Committee. In his absence, or in case of his failure or inability to act, an Assistant Secretary or a secretary pro-tempore shall perform his duties and such other duties as may be prescribed by the Board of Directors.

SECTION 3. He shall keep account of certificates of stock or other receipts and securities representing an interest in or to the capital of the Company, transferred and registered in such form and manner and under such regulations as the Board of Directors may prescribe.

SECTION 4. He shall keep in safe custody the contracts, books and such corporate records as are not otherwise provided for, and the seal of the Company. He shall affix the seal to any instrument requiring the same and the seal, when so affixed, shall be attested by the signature of the Secretary, an Assistant Secretary, Treasurer or an Assistant Treasurer.

ARTICLE XVI
TREASURER

SECTION 1. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all money in the name of, for the account of or to the credit of the Company in such depositories as may be designated by the Board of Directors or by the Executive Committee, and shall keep all securities and other valuable effects in a safe place designated by the Board of Directors or the Executive Committee.

SECTION 2. He shall perform such other duties as the Board of Directors or the Executive Committee may from time to time prescribe or require.

ARTICLE XVII
DUTIES OF OFFICERS

SECTION 1. In addition to the duties specifically enumerated in the By-laws, all officers and assistant officers of the Company shall perform such other duties as may be assigned to them from time to time by the Board of Directors, the Executive Committee, or by their superior officers.

SECTION 2. The Board of Directors or Executive Committee may change the powers or duties of any officer or assistant officer, or delegate the same to any other officer, assistant officer or person.

SECTION 3. Every officer and assistant officer of the

Company shall from time to time report to the Board of Directors, the Executive Committee or to his superior officers all matters within his knowledge which the interests of the Company may require to be brought to their notice.

ARTICLE XVIII
CERTIFICATES OF STOCK, SECURITIES, NOTES, ETC.

SECTION 1. Certificates of stock, or other receipts and securities representing an interest in or to the capital of the Company, shall bear the signature of the Chairman of the Board, the President or any Vice President and bear the countersignature of the Secretary or any Assistant Secretary or the Treasurer or any Assistant Treasurer.

SECTION 2. Nothing in this Article XVIII shall be construed to limit the right of the Company, by resolution of its Board of Directors or Executive Committee, to authorize, under such conditions as such Board or Committee may determine, the facsimile signature by any properly authorized officer of any instrument or document that said Board of Directors or Executive Committee may determine.

SECTION 3. In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature shall have been used on any certificates of stock, notes or securities shall cease to be such officer, transfer agent or registrar of this Company, whether because of death, resignation or otherwise, before the same shall have been issued by this Company, such certificates of stock, notes and securities may nevertheless be adopted by this Company and be issued and delivered as though the person or persons who signed the same or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer, transfer agent or registrar of this Company, and such adoption of said certificates of stock, notes and securities shall be evidenced by a resolution of the Board of Directors or Executive Committee to that effect.

SECTION 4. All transfers of the stock of the Company shall be made upon the books of the Company by the owners of the shares in person or by their legal representatives.

SECTION 5. Certificates of stock shall be surrendered and canceled at the time of transfer.

SECTION 6. The Company shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

SECTION 7. In the case of a loss or the destruction of a certificate of stock, another may be issued in its place upon satisfactory proof of such loss or destruction and the giving of a bond of indemnity, unless waived, approved by the Board of Directors or by the Executive Committee.

ARTICLE XIX
CHECKS, LOANS, COMMERCIAL PAPER, CONTRACTS, ETC.

SECTION 1. Any two of the following officers who are authorized by the Board of Directors or Executive Committee, to wit, the Chairman of the Board, the President, the Vice Presidents, the Secretary or the Treasurer, not being the same person, or any of them together with an Assistant Vice President, an Assistant Secretary or an Assistant Treasurer, shall have the authority to sign and execute on behalf of the Company as maker, drawer, acceptor, guarantor, endorser, assignor or otherwise, all notes, collateral trust notes, debentures, drafts, bills of exchange, acceptances, securities and commercial paper of all kinds.

SECTION 2. The Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer or any other person, when such officer or other person is authorized by the Board of Directors or Executive Committee, shall have authority, on behalf of and for the account of the Company, (a) to borrow money against duly executed obligations of the Company; (b) to sell, discount or otherwise dispose of notes, collateral trust notes, debentures, drafts, bills of exchange, acceptances, securities, obligations of the Company and commercial paper of all kinds; (c) to sign orders for the transfer of money to affiliated or subsidiary companies, and (d) to execute contracts.

SECTION 3. The Board of Directors or the Executive Committee may either in the absence of any of said officers or persons, or for any other reason, appoint some other officer or some other person to exercise the powers and discharge the duties of such officer or person under this Article, and the officer or person so appointed shall have all the power and authority hereby conferred upon the officer for whom he may be appointed so to act.

SECTION 4. Commercial paper, in the form of short term promissory notes, of the Company issued by arrangement with a bank duly authorized by the Board of Directors or Executive Committee of this Company shall be issued under the manual signature of one of the officers of the Company and manually co-signed on behalf of the Company by an employee of the bank approved by the Company; provided however, that the Board of Directors or Executive Committee may, by resolution, provide, with such protective measures as they may prescribe, that, in lieu of the manual signature of an officer of this Company on any such commercial paper of the Company issued by an authorized bank as aforesaid, the facsimile signature of an officer of this Company may be used thereon, and said facsimile signature, when placed thereon, shall have the same effect as though said commercial paper had been manually signed by an officer of this Company.

ARTICLE XX
FISCAL YEAR

SECTION 1. The fiscal year of the Company shall begin the first day of January and terminate on the thirty-first day of December in each year.

ARTICLE XXI
NOTICE

SECTION 1. Whenever under the provisions of the laws of the State of Delaware or these By-laws notice is required to be given to any Director, member of the Executive Committee, officer or stockholder, it shall not be construed to mean personal notice, but such notice may be given by wire or in writing by depositing the same in the post office or letter box in a post paid, sealed wrapper, addressed to such Director, member of the Executive Committee, officer or stockholder at his or her address as the same appears in the books of the Company; and the time when the same shall be mailed shall be deemed to be the time of the giving of such notice.

ARTICLE XXII
WAIVER OF NOTICE

SECTION 1. Any stockholder, Director or member of the

Executive Committee may waive in writing any notice required to be given under these By-laws.

ARTICLE XXIII
AMENDMENT OF BY-LAWS

SECTION 1. The Board of Directors, at any meeting, may alter or amend these By-laws, and any alteration or amendments so made may be repealed by the Board of Directors or by the stockholders at any meeting duly called.

AMENDMENT TO EMPLOYMENT AGREEMENT

Amendment dated as of March 29, 1994 (the "Amendment") to the Employment Agreement dated June 23, 1993 (the "Employment Agreement") by and among Smith Barney Shearson Inc., a Delaware corporation, formerly known as Smith Barney, Harris Upham & Co. Incorporated (the "Company"), The Travelers Inc., a Delaware corporation formerly known as Primerica Corporation and the sole common stockholder of the Company ("The Travelers"), and Robert F. Greenhill (the "Executive").

WHEREAS, the parties hereto have previously entered into the Employment Agreement; and

WHEREAS, the parties hereto desire to amend such Employment Agreement in light of recent changes to the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, the parties hereto, each intending to be legally bound, do hereby agree as follows:

1. Effective upon the mailing of the definitive proxy statement (the "Proxy Statement") for the 1994 Annual Meeting of Stockholders (the "Annual Meeting") of The Travelers (which mailing is expected to occur on or about March 29, 1994), Paragraphs 5(a) and 5(b) of the Employment Agreement are deleted.

2. Immediately upon approval by the stockholders at the Annual Meeting of The Travelers Inc. Executive Performance Compensation Plan, such Paragraphs 5(a) and 5(b) shall be replaced with new Paragraphs 5(a) and 5(b), as described in Article V of Annex B to the Proxy Statement and as set forth in Attachment A hereto, with an effective date of January 1, 1994.

3. In the event that such stockholder approval is not obtained, the Company and Executive shall enter into good faith negotiations to enter into a mutually satisfactory replacement for such Paragraphs 5(a) and 5(b).

4. Except as expressly modified by this Amendment, all

terms of the Employment Agreement in effect on the date hereof shall remain in full force and effect.

5. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

SMITH BARNEY SHEARSON INC.

By: /s/ Barry L. Mannes

Name: Barry L. Mannes
Title: Executive Vice President

THE TRAVELERS INC.

By: /s/ James Dimon

Name: James Dimon
Title: President, Chief Financial
Officer and Chief
Operating Officer

/s/ Robert F. Greenhill

Robert F. Greenhill

ATTACHMENT A
to Amendment to
Employment Agreement
dated as of March 29, 1994

(a) Compensation. During the Term, the Company

shall pay or cause to be paid to the Executive (x) an annual base salary of \$995,000 plus (y) a bonus (together, the "Compensation") for each fiscal year of the Company equal to the sum of (i) 2% of the After-Tax Earnings (as hereinafter defined) for such fiscal year from \$49,750,000 up to and including \$750,000,000 of such After-Tax Earnings, (ii) 1.5% of the After-Tax Earnings in excess of \$750,000,000 up to but not exceeding \$1 billion and (iii) 1% of the After-Tax Earnings in excess of \$1 billion provided that if the

After-Tax Earnings for such fiscal year does not exceed \$100 million, then Executive shall not be entitled to a bonus. The Compensation shall be subject to increases from time to time at the sole discretion of the Board of Directors of the Company. For purposes of this Agreement, "After-Tax Earnings" for any fiscal year shall mean the aggregate of (i) the consolidated after-tax net income of Smith Barney Shearson Holdings Inc.

("SBSH") and its subsidiaries, (ii) for so long as Greenwich Street Capital Partners Inc. ("GSCP") shall be a subsidiary of The Travelers and the Executive is employed by the Company, the after-tax net income of GSCP, and (iii) the after-tax net income of any other affiliate of The Travelers with which the Executive has a relationship similar to that with GSCP with respect to corporate organization, hiring of employees, setting of policies or operating guidelines (GSCP and such other entities referred to collectively as "The Travelers Entities"), after deduction of the base salary but prior to deducting the portion of Compensation in excess of base salary and (except as otherwise provided in the next sentence with respect to the years 1993 and 2000) in each case as reflected on its audited financial statements for such fiscal year prepared in accordance with generally accepted accounting principles ("GAAP") consistently applied and certified by independent public accountants (provided that, if any of The Travelers Entities shall

not otherwise cause to be prepared audited financial statements, the financial statements of any such Entity included in the financial statements of The Travelers filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), shall be used for these purposes. The Company shall pay or cause to be paid to the Executive the base salary and that portion of Compensation based upon the After-Tax Earnings of SBSH and its subsidiaries, and

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The Travelers shall pay or cause to be paid to the Executive that portion of Compensation based upon the After-Tax Earnings of The Travelers Entities. With respect to the period from the Commencement Date to December 31, 1993 (the "1993 Stub Period") and the

period from January 1, 2000 to the last day of the Term (the "2000 Stub Period"), the Compensation payable to the Executive for such periods shall be equal to one-half of the Compensation determined in accordance with the formula set forth in the first sentence of this Paragraph 5(a). For this purpose, After-Tax Earnings in such formula shall be deemed to be equal to the product of two (2) multiplied by the After-Tax Earnings for the fiscal quarters ended September 30, 1993 and December 31, 1993 (in the case of the 1993 Stub Period) and the After-Tax Earnings for the fiscal quarters ended March 31, 2000 and June 30, 2000 (in the case of the 2000 Stub Period), in each case as reflected in the interim financial statements of the relevant entities for such fiscal quarters prepared in accordance with GAAP consistently applied. For any partial fiscal year (whether preceding or following the Date of Termination (as defined in Paragraph 9(f)), the Compensation for such partial fiscal year shall be calculated by multiplying the Compensation otherwise calculated for the full fiscal year by a fraction, the numerator of which is the number of calendar months in such partial fiscal year (including, in the case of the partial fiscal year preceding the Date of Termination, the month in which the Date of Termination occurs) and the denominator of which is 12.

(b) Time of Payment. The Compensation shall be paid

to the Executive as follows:

(i) The Company shall pay to the Executive the base salary in monthly or more frequent installments in accordance with the payroll practices for senior executives of the Company in effect at the time of payment; and

(ii) Promptly after the relevant audited financial statements are completed (but in no event later than the 90th day following the end of each year or in the case of the 1993 Stub Period and the 2000 Stub Period the applicable Stub Period, as the case may be) and following the certification by the Nominations and Compensation Committee of The Travelers Board of Directors that the applicable performance goals have been met as required by Section 162(m) of the Internal Revenue Code of 1986, as amended, the Company shall pay or cause to be paid to the Executive an amount equal to

the bonus for such year calculated pursuant to Paragraph 5(a).

The parties agree that, with regard to the portion of the Compensation based upon the earnings of SBSH and its subsidiaries, the financial statements included in SBSH's periodic filings under the Exchange Act shall be used for determining the Compensation under this Agreement. With regard to the portion of the Compensation based upon the After-Tax Earnings of The Travelers Entities, and in the event that SBSH ceases to be a reporting company during the Term, the financial statements of The Travelers Entities and SBSH and its subsidiaries included in The Travelers' financial statements filed under the Exchange Act shall be used for determining the respective portion or portions of such Compensation unless the parties agree on an alternate arrangement for providing periodic financial statements for purposes of this Paragraph.

<TABLE> <CAPTION>

Exhibit 11.01

The Travelers Inc. and Subsidiaries
Computation of Earnings Per Share
(In millions, except for per share amounts)

	Three Months Ended March 31	
	1994	1993
<S>	<C>	<C>
Earnings:		
Net Income	\$340	\$172
Preferred dividends:		
8.125% Cumulative Preferred Stock - Series A	(6)	(6)
5.5% Convertible Preferred Stock - Series B	(2)	-
\$4.53 Convertible Preferred Stock - Series C	(4)	-
9 1/4% Preferred Stock - Series D	(9)	-
	----	----
Income applicable to common stock	\$319	\$166
	====	====
Average shares:		
Common	320	218
Common stock warrants	-	-
Assumed exercise of dilutive stock options	4	4
Incremental shares - Capital Accumulation Plan	3	3
	----	----
	327	225
	====	====
Earnings Per Share	\$0.98	\$0.74
	====	====

Earnings per common share is based on the weighted average number of common shares outstanding during the period after consideration of the dilutive effect of common stock warrants and stock options and the incremental shares assumed issued under the Capital Accumulation Plan. Fully diluted earnings per common share, assuming conversion of all outstanding convertible preferred stock (in 1994 only), the maximum dilutive effect of common stock equivalents and the assumed conversion of convertible debentures (in 1993 only) have not been presented because the effects are not material. The fully diluted earnings per common share computation for the three months ended March 31, 1994 and 1993, would entail adding the number of shares issuable on conversion of preferred stock and other debentures (7 and 4 million shares, respectively) and the additional common stock equivalents (1 million shares in 1993 only) to the number of shares included in the earnings per common share calculation (resulting in a total of 334 and 230 million shares, respectively) and eliminating the preferred stock dividend requirement in 1994 and the after-tax interest expense related to the conversion of other debentures in 1993 (\$6 and \$2 million, respectively).

</TABLE>

The Travelers Inc. and Subsidiaries
Computation of Ratio of Earnings to Fixed Charges
(In million of dollars, except for ratio)

	Three months ended March 31,	
	1994	1993
	----	----
<S>	<C>	<C>
Income before income taxes, minority interest and cumulative effect of changes in accounting principle	\$538	\$334
Elimination of undistributed equity earnings	-	(28)
Pre-tax minority interest	-	(12)
Interest expense	223	158
Portion of rentals deemed to be interest	33	10
	---	---
Earnings available for fixed charges	\$794	\$462
	===	===
Fixed charges		

Interest incurred	\$223	\$158
Portion of rentals deemed to be interest	33	10
	---	---
Fixed charges	\$256	\$168
	===	===
Ratio of earnings to fixed charges	3.10x	2.75x
	====	=====

</TABLE>

Item 3. LEGAL PROCEEDINGS

Other Litigation

On or about January 9, 1989, Primerica Holdings, Inc., as successor in interest to old Primerica, notified the salaried retirees of old Primerica of certain changes in their retirement benefits. On December 19, 1989, a purported class action was filed by two salaried retirees in United States District Court, District of New Jersey, under the caption Alexander, et al, v. Primerica Holdings, Inc., et al.

Plaintiffs allege that their retirement benefits are not subject to material alteration, and that the 1989 revisions are improper. The complaint alleges causes of action against Primerica Holdings and its directors on various theories including promissory estoppel, breach of contract, breach of fiduciary duties, fraud, and federal ERISA violations. Plaintiffs seek permanent injunctive relief prohibiting changes in their benefits, as well as compensatory and punitive damages.

Item 3. LEGAL PROCEEDINGS

Other Litigation and Legal Proceedings

For information concerning a purported class action against Primerica Holdings and others in connection with certain changes in the retirement benefits of old Primerica retirees, see the description that appears in the fourth paragraph of page 31 of the Company's filing on Form 10-K for the year ended December 31, 1989, which description is incorporated by reference herein. A copy of the pertinent paragraph of such filing is included as an exhibit to this Form 10-K. The class was certified in May 1991, and on June 25, 1991, the United States District Court for the District of New Jersey granted summary judgment in favor of Primerica Holdings and the other defendants in the class action. Plaintiffs have appealed the decision.

