

Until so surrendered, each outstanding certificate which, prior to the effective date of the consolidation, represented shares of \$10 par value capital stock of Franklin National Life Insurance Company shall be deemed for all purposes to evidence the ownership of such number of whole shares of the capital stock of the Consolidated Corporation as result from said conversion.

If a certificate for any share of \$2.50 par value capital stock of the Consolidated Corporation is to be issued in a name other than that in which the certificate for shares surrendered for exchange shall be registered, it shall be a condition of such exchange that the certificate so surrendered shall be properly endorsed for transfer and that the person requesting such exchange shall pay to the Consolidated Corporation any transfer or other taxes required by reason thereof or shall establish to the satisfaction of the Consolidated Corporation that such taxes have been paid.

Certificates representing shares of \$2.50 par value capital stock of Palmetto State Life Insurance Company outstanding upon the effective date of the consolidation need not be surrendered in exchange for new certificates. After the effective date of the consolidation such certificates shall represent shares of \$2.50 par value capital stock of the Consolidated Corporation as herein provided.

ARTICLE VII.

Prohibited Actions.

Prior to the effective date of the consolidation, (1) neither Palmetto State Life Insurance Company nor Franklin National Life Insurance Company shall issue or sell, or issue rights to subscribe to or purchase, any shares of its capital stock; (2) Franklin National Life Insurance Company shall not declare or pay any dividends on its capital stock and Palmetto State Life Insurance Company shall not declare or pay any dividends on its capital stock; (3) neither Palmetto State Life Insurance Company nor Franklin National Life Insurance Company shall purchase, redeem or otherwise acquire, or retire any shares of its outstanding capital stock except with the consent and approval of four-fifths of the persons designated in Article IV hereof as directors of the Consolidated Corporation; and (4) neither Palmetto State Life Insurance Company nor Franklin National Life Insurance Company shall authorize, approve or enter into any transaction otherwise than in the ordinary course of business except with the consent and approval of four-fifths of the persons designated in Article IV hereof as directors of the Consolidated Corporation.

(Continued on Next Page)