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Ron Rosselli
Re 8/14/84
Bo Meeting

August 9, 1984

Hull

VIA TELECOPIER

J. Richard Hull, Esq.
Senior Vice President and
General Counsel
Household International
2700 Sanders Road
Prospect Heights, Illinois 60070

Dear Mr. Hull,

Attached is a draft of resolutions to implement the Preferred Share Purchase Rights Plan, as well as a slightly revised version of the Certificate of Designation for the preferred stock to be used in connection with the Plan. Charles Richards has reviewed the Certificate of Designation.

Very truly yours,

Steve Rosenblum

Steven A. Rosenblum

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Enclosure

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PROPOSED RESOLUTIONS
BOARD OF DIRECTORS
HOUSEHOLD INTERNATIONAL, INC.
August 14, 1984

WHEREAS, this Board of Directors deems it desirable and in the best interests of its shareholders that steps be taken to preserve for the Corporation's shareholders the long-term value of the Corporation in the event of a take-over; and

WHEREAS, this Board of Directors believes that a dividend to the Corporation's shareholders of rights to purchase shares of a new series of the Corporation's Preferred Stock, to be designated as Series A Junior Participating Preferred Stock (the "Series A Preferred Stock"), on terms and subject to the conditions hereinafter provided will contribute to the preservation of the Corporation's long-term value for its shareholders.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby declares that a dividend of one right for each share of Common Stock, par value \$1.00 per share (the "Common Stock"), be paid August 27, 1984 to shareholders of record of the Common Stock issued and outstanding at the close of business on August 27, 1984 (the "Rights"), each Right representing the right to purchase one-hundredth (1/100) of a share of Series A Preferred Stock upon terms and subject to conditions set forth in the form of Rights Agreement presented to this meeting which agreement is hereby approved (the "Rights Agreement").

RESOLVED FURTHER, that the exercise price of the Rights shall be \$100 per Right and that the redemption price therefor shall be \$0.50 per Right.

RESOLVED FURTHER, that the President or any Vice President is hereby authorized in the name and on behalf of this Corporation to execute the Rights Agreement under the corporate seal of the Corporation, attested by its Secretary or an Assistant Secretary, with such modifications as the officer or officers executing the same shall approve, such approval to be conclusively evidenced by the same to the Rights Agent thereunder.

RESOLVED FURTHER, that certificates evidencing the Rights (the "Rights Certificates") shall be substantially in the form set forth in the Rights Agreement and shall be issued and delivered as provided therein.

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RESOLVED FURTHER, that the Rights Certificates and the certificates evidencing shares or fractions of a share of Series A Preferred Stock (the "Series A Preferred Stock Certificates") shall be signed by the President or any Vice President and the Secretary or an Assistant Secretary of this Corporation under its corporate seal (which may be in the form of a facsimile of the seal of the Corporation); provided that each such signature of the President, a Vice President, the Secretary or an Assistant Secretary may, but need not, be a facsimile signature imprinted or otherwise reproduced on the Rights Certificates or the Preferred Stock Certificates, and that this Corporation adopts for such purpose the facsimile signature of the present or any future President, Vice President, Secretary and Assistant Secretary of this Corporation, notwithstanding the fact that at the time the Rights Certificates or the Series A Preferred Stock Certificates shall be authenticated and delivered or disposed of he shall have ceased to be such officer.

RESOLVED FURTHER, that the officers of this Corporation are authorized to execute on behalf of this Corporation and under its corporate seal (which may be in the form of a facsimile of the seal of the Corporation) Rights Certificates and Series A Preferred Stock Certificates issued to replace lost, stolen, mutilated or destroyed Rights Certificates and Series A Preferred Stock Certificates, such Rights Certificates as may be required for exchange, substitution or transfer as provided in the Rights Agreement in the manner and form to be required in, or contemplated by, the Rights Agreement, and such Series A Preferred Stock Certificates as may be required for exchange, substitution or transfer.

RESOLVED FURTHER, that the Rights Certificates shall be manually countersigned by the Rights Agent and books for the registration and transfer of the Rights Certificates shall be maintained in _____ by the Rights Agent.

RESOLVED FURTHER, that the Series A Preferred Stock Certificates shall be manually countersigned by the Transfer Agent and books for the registration and transfer of the Series A Preferred Stock Certificates shall be maintained in _____ by the Transfer Agent.

RESOLVED FURTHER, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Restated Certificate of Incorporation a series of Preferred Stock of this Corporation be and it hereby is created, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as set forth on the Certificate of Designation, Preferences and Rights attached to the minutes of this meeting.

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RESOLVED FURTHER, that the 600,000 shares of this Corporation's Preferred Stock designated by the foregoing resolution as Series A Junior Participating Preferred Stock be, and they hereby are, initially reserved for issuance upon exercise of the Rights, such number to be subject to adjustment from time to time in accordance with the Rights Agreement.

RESOLVED FURTHER, that _____ is hereby appointed Rights Agent under the Rights Agreement for the Rights and _____ is hereby appointed as Transfer Agent and Registrar with respect to the Series A Preferred Stock, and that upon presentation to it of Rights Certificates for exercise in accordance with the Rights Agreement, _____ is authorized, as Transfer Agent and Registrar for the Series A Preferred Stock, to issue originally, countersign, register and to deliver the shares of Series A Preferred Stock issuable upon such exercise.

RESOLVED FURTHER, that the Series A Preferred Stock Certificates shall be manually countersigned by the Transfer Agent and books for the registration and transfer of the Series A Preferred Stock Certificates shall be maintained in _____ by the Transfer Agent.

RESOLVED FURTHER, that the President or any Vice President of this Corporation be and each of them is hereby authorized and directed, for and in the name and on behalf of this Corporation, to execute personally or by attorney-in-fact and to cause to be filed with the Securities and Exchange Commission a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), for the registration of the shares of Series A Preferred Stock issuable upon exercise of the Rights, and thereafter to execute personally or by attorney-in-fact and to cause to be filed any amended registration statement or registration statements and amended prospectus or prospectuses, or amendments or supplements to any of the foregoing, and to cause said registration statement and any amendments thereto to become effective in accordance with the Securities Act and the General Rules and Regulations of the Securities and Exchange Commission thereunder.

RESOLVED FURTHER, that _____ of this Corporation, is hereby appointed as agent for service of this Corporation with respect to said registration statement with all the powers and functions specified in the General Rules and Regulations of the Securities and Exchange Commission under the Securities Act.

RESOLVED FURTHER, that the officers of this Corporation be and they are hereby authorized, jointly and severally, in the name and on behalf of this Corporation, to take all such actions and to execute all such documents as they may deem necessary or appropriate in connection with the issuance of the Rights and Series A Preferred Stock issuable upon exercise of the Rights for compliance with the Securities Act and the Securities Exchange Act of 1934.

RESOLVED FURTHER, that the officers of this Corporation be and they are hereby authorized, jointly and severally, in the name and on behalf of this Corporation, to execute and file such application or applications, and amendments and supplements thereto, and take such other action as may be necessary to list the Rights and shares of Series A Preferred Stock issuable upon exercise of the Rights on the New York Stock Exchange and on any other stock exchanges deemed appropriate by the officers of this Corporation; and that the President or any Vice President, or such other person as any of them shall designate in writing, be and he is hereby authorized to appear before the Securities and Exchange Commission and the New York Stock Exchange and any such other stock exchanges, and to execute such papers and agreements as may be necessary to conform with the requirements of the Securities and Exchange Commission and the New York Stock Exchange and any such other stock exchanges.

RESOLVED FURTHER, that as long as the Rights are attached to the Common Stock as provided in the Rights Agreement, one additional Right shall be delivered with each share of Common Stock issued in the future, including but not limited to shares of Common Stock issuable upon conversion of any series of convertible preferred stock of this Corporation and shares of Common Stock issuable upon exercise of options to purchase Common Stock granted by this Corporation.

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RESOLVED FURTHER, that the form of Indemnity Agreement required by the New York Stock Exchange, indemnifying the New York Stock Exchange and others against loss resulting from reliance on the facsimile signatures of the officers of this Corporation on the Rights or shares of Series A Preferred Stock issuable upon exercise thereof is hereby approved, and that the President or any Vice President of this Corporation is hereby authorized to execute and deliver such Indemnity Agreement.

RESOLVED FURTHER, that it is desirable and in the best interests of this Corporation that its securities be qualified or registered for sale in various jurisdictions; that the President or any Vice President and the Secretary or an Assistant Secretary hereby are authorized to determine the jurisdictions in which appropriate action shall be taken to qualify or register for sale all or such part of the securities of this Corporation as said officers may deem advisable; that said officers are hereby authorized to perform on behalf of this Corporation any and all such acts as they may deem necessary or advisable in order to comply with the applicable laws of any such jurisdictions, and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and the execution by such officers of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor from this Corporation and the approval and ratification by this Corporation of the papers and documents so executed and the action so taken.

RESOLVED FURTHER, that this Board of Directors hereby adopts the form of any resolution required by any authority to be filed in connection with any applications, consents to service, issuer's covenants or other documents if (1) in the opinion of the officers of this Corporation executing the same, the adoption of such resolutions is necessary or desirable, and (2) the Secretary or an Assistant Secretary of this Corporation evidences such adoption by inserting in the minutes of this meeting copies of such resolutions, which will thereupon be deemed to be adopted by this Board of Directors with the same force and effect as if presented at this meeting.

RESOLVED FURTHER, that the officers of this Corporation be and they are hereby authorized and directed, jointly and severally, for and in the name and on behalf of this Corporation, to execute and deliver any and all certificates, agreements and other documents, take any and all steps and do any and all things which they may deem necessary or advisable in order to effectuate the purposes of each and all of the foregoing resolutions.

RESOLVED FURTHER, that any actions taken by such officers prior to the date of the foregoing resolutions adopted at this meeting that are within the authority conferred hereby are hereby ratified, confirmed and approved as the act and deed of this Corporation.

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CERTIFICATE OF DESIGNATION, PREFERENCES AND
RIGHTS OF SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

of

HOUSEHOLD INTERNATIONAL, INC.

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

We, D. C. Clark, President, and J. D. Pinkerton,
Secretary, of Household International, Inc., a corporation
organized and existing under the General Corporation Law of
the State of Delaware, in accordance with the provisions of
Section 103 thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the
Board of Directors by the Restated Certificate of Incorpora-
tion of the said Corporation, the said Board of Directors on
August , 1984 adopted the following resolution creating a
series of six hundred thousand (600,000) shares of Preferred
Stock designated as Series A Junior Participating Preferred
Stock:

RESOLVED, that pursuant to the authority vested in
the Board of Directors of this Corporation in accordance with
the provisions of its Restated Certificate of Incorporation,
a series of Preferred Stock of the Corporation be and it hereby
is created, and that the designation and amount thereof and
the voting powers, preferences and relative, participating,
optional and other special rights of the shares of such series,
and the qualifications, limitations or restrictions thereof
are as follows:

Section 1. Designation and Amount. The shares of
such series shall be designated as "Series A Junior Partici-
pating Preferred Stock" (the "Series A Preferred Stock") and
the number of shares constituting such series shall be 600,000.

Section 2. Dividends and Distributions.

(A) The holders of shares of Series A Preferred
Stock shall be entitled to receive, when, as and if de-
clared by the Board of Directors out of funds legally
available for the purpose, quarterly dividends payable
in cash on the fifteenth day of January, April, July and
October in each year (each such date being referred to

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herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$25.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value \$1.00 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in this paragraph (A) immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$25.00 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding

the date of issue of such shares of Series A Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Preferred Stock and the

holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) In the event that any four quarterly cumulative dividends, whether consecutive or not, upon the Series A Preferred Stock shall be in arrears, the holders of preferred stock of the Corporation of all series (including the Series A Preferred Stock), other than series in respect of which the right is expressly withheld by the authorizing resolutions, shall have the right, at the next meeting of stockholders called for the election of directors, to elect one-third of the members of the Board of Directors out of the number fixed by the by-laws, and the holders of such preferred stock shall continue to have such right until all unpaid dividends upon the Series A Preferred Stock shall have been paid in full. In the event that any eight quarterly cumulative dividends, whether consecutive or not, upon the Series A Preferred Stock shall be in arrears, the holders of preferred stock of all series (including the Series A Preferred Stock), other than series in respect of which the right is expressly withheld by the authorizing resolutions, shall have the right, at the next meeting of stockholders called for the election of directors, to elect a majority of the members of the Board of Directors out of the number fixed by the by-laws, and the holders of such preferred stock shall continue to have such right until all unpaid dividends upon the Series A Preferred Stock shall have been paid in full.

(D) Except as set forth herein, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not

(1) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise

acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corpora-

tion in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of preferred stock and may be reissued as part of a new series of preferred stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up. Upon any voluntary liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received \$100.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of Common Stock, or (2) to the holders of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all other such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the provision in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securi-

ties, cash and/or any other property, then in any such case the shares of Series A Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. Ranking. The Series A Preferred Stock shall rank junior to all other series of the Corporation's preferred stock outstanding as of August 27, 1984, as to the payment of dividends and the distribution of assets.

Section 10. Amendment. The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of two-thirds or more of the outstanding shares of Series A Preferred Stock, voting together as a single class.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate and do affirm the foregoing as true under the penalties of perjury this ____ day of _____, 1984.

D. C. Clark
President

J. B. Pinkerton
Secretary

PROPOSAL FOR CORPORATE POLICY ON CHANGE OF CONTROL

The Board of Directors hereby reaffirms its commitment to ensuring that the Corporation is managed in the best long-term interests of the Corporation and its shareholders, as evidenced by its increasing emphasis on reviewing strategic issues and long-range planning at Board meetings. The Board also reaffirms its commitment to considering the impact of its decisions on the Corporation's employees, customers, local communities and the public in general. All major decisions by management should be made for the purpose of increasing the growth and value of the Corporation, even if such decisions may on occasion have a negative short-term impact on the market price of the Corporation's common stock. To encourage the Corporation's management and employees to focus their efforts on the long-term success of the Corporation, and to prevent any disruptive impact which the current level of takeover activity may have on the Corporation, the Board expresses its commitment to the long-term continuity of Household as an independent entity. Therefore, the management of the Corporation is directed to refuse to engage in discussions with others who express an interest in gaining control of the Corporation and to immediately report such contacts to the Board. In the event of an unsolicited effort by others to change control of the Corporation, the Board of Directors will compare the immediate benefits of the offer with the long-term prospects for the Corporation if it remains an independent entity and is able to continue with its strategic plans.

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