

EXPLANATORY NOTES.

1. The purpose of this section is to increase the capital stock of the Company from \$5,000,000.00 to \$7,500,000.00, and to repeal the provision dividing the capital stock into shares of \$25.00 each. The present section 4 of 1911, c. 80, as amended by section 3 of 1917, c. 79, reads as follows:

"4. The capital stock of the Company shall be five million dollars divided into shares of twenty-five dollars each."

By 1940-41, c. 40, the Company was authorized to divide its shares into two or more classes, and the Company desires authority to issue shares representing the increase in the capital stock, in various classes and of various par values.

2. New. By 1940-41, c. 40, the Company was authorized to divide its shares into two or more classes, and to attach special rights, restrictions and limitations to any class, including limitations on voting rights. Pursuant thereto the Company divided its 200,000 shares of the par value of \$25.00 each, into 200,000 Class "A" non-voting shares of \$20.00 par value, having preference as to dividends, and 200,000 Class "B" (Membership) shares of the par value of \$5.00 each, to which voting rights are attached. The Class "B" shares must be held by farmers or lessees of farms, and no person may hold more than 25 of such shares. As a rule, a shareholder holds only one or two Class "B" shares. A holder of Class "B" shares has only one vote no matter how many shares he holds. Of the Class "A" shares 3,867 are unissued, and of the Class "B" shares 145,647 are unissued. The Company now finds that there is no likelihood of all the unissued Class "B" shares being required, and therefore desires to convert 100,000 of them into 25,000 Class "A" shares.