

(B) RESTRICTIONS ON DECLARATION OR PAYMENT.

A DIVIDEND MAY NOT BE DECLARED OR PAID IF:

(1) THE CORPORATION IS INSOLVENT OR THE PAYMENT WOULD CAUSE THE CORPORATION TO BECOME INSOLVENT; OR

(2) THE CORPORATION'S STATED CAPITAL IS IMPAIRED OR THE PAYMENT WOULD IMPAIR ITS STATED CAPITAL.

(C) DIVIDEND FROM SOURCE OTHER THAN EARNED SURPLUS.

IF A DIVIDEND IS PAID FROM ANY SOURCE OTHER THAN EARNED SURPLUS, THE SOURCE OF THE DIVIDEND SHALL BE DISCLOSED NOT LATER THAN AT THE TIME OF PAYMENT TO THE STOCKHOLDERS WHO RECEIVE IT.

(D) DIVIDEND ON JUNIOR CLASS.

CAPITAL SURPLUS PAID WITH RESPECT TO A CLASS OF STOCK MAY NOT BE USED FOR THE PAYMENT OF DIVIDENDS ON ANY CLASS OF STOCK JUNIOR TO IT.

(E) STOCK DIVIDEND.

(1) A SPLIT-UP OR DIVISION OF ISSUED SHARES INTO A GREATER NUMBER OF SHARES OF THE SAME CLASS WITHOUT ANY CHANGE IN THE AGGREGATE AMOUNT OF STATED CAPITAL IS NOT A STOCK DIVIDEND WITHIN THE MEANING OF THIS SECTION.

(2) (I) IF A DIVIDEND IS PAYABLE IN A CORPORATION'S OWN STOCK WITH PAR VALUE, THE SHARES SHALL BE ISSUED AT PAR VALUE AND, AT THE TIME THE DIVIDEND IS PAID, THE CORPORATION SHALL TRANSFER FROM SURPLUS TO STATED CAPITAL AN AMOUNT EQUAL TO THE AGGREGATE PAR VALUE OF THE SHARES TO BE ISSUED.

(II) THE CORPORATION MAY TRANSFER ANY ADDITIONAL AMOUNT FROM EARNED SURPLUS TO CAPITAL SURPLUS AS THE BOARD OF DIRECTORS DETERMINES.

(3) (I) IF A DIVIDEND IS PAYABLE IN A CORPORATION'S OWN STOCK WITHOUT PAR VALUE, THE BOARD OF DIRECTORS SHALL ADOPT AT THE TIME THE DIVIDEND IS DECLARED A RESOLUTION WHICH SETS THE AMOUNT TO BE ATTRIBUTED TO STATED CAPITAL WITH RESPECT TO THE SHARES AND, AT THE TIME THE DIVIDEND IS PAID, THE CORPORATION SHALL TRANSFER THE AMOUNT FROM SURPLUS TO STATED CAPITAL.

(II) THE CORPORATION MAY TRANSFER ANY ADDITIONAL AMOUNT FROM EARNED SURPLUS TO CAPITAL SURPLUS AS THE BOARD OF DIRECTORS DETERMINES.