

FILED

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EXHIBIT 3.2

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RESTATED CHARTER OF CHATTEM, INC.

Pursuant to the provisions of Tennessee Code Annotated,
Section 48-20-107 Chattem, Inc., a Tennessee corporation hereby
adopts the following Restated Charter:

1 The name of the corporation is Chattem, Inc.

3/8/92

2. The maximum number of shares which the corporation
is authorized to issue is twenty-one million (21,000,000)
consisting of twenty million (20,000,000) common shares without
par value and one million (1,000,000) preferred shares, which
preferred shares shall be issuable in one or more series.

3. The Corporation's registered office is 1715 West
38th Street, Chattanooga, Hamilton County, Tennessee 37409. The
name of its registered agent at that address is Charles N. Jolly.

4. The address of the principal office of the
corporation in the State of Tennessee shall be 1715 West 38th
Street, Chattanooga, Hamilton County, Tennessee 37409.

5. The preferences, limitations, relative rights,
and designations of its shares are as follows:

(a) Except as otherwise provided by law or by
action of the Board of Directors in granting voting rights to any
series of preferred shares, the entire voting power for the
election of directors and for all other purposes shall be vested
exclusively in the common shares. Each common share shall have
one vote upon all matters.

(b) The dividends specified on all outstanding
preferred shares (including any cumulative unpaid dividends, if
dividends are cumulative), shall be declared and paid, or set
apart for payment, before any dividends on the outstanding common
shares shall be declared and paid or set apart for payment.

(c) No holder of any class of shares of this
corporation shall be entitled as of right to subscribe for,
purchase, or receive any part of any new or additional issue of
shares of any class, whether now or hereafter authorized, or of
any bonds, debentures, or other securities convertible into shares

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of any class, and all such shares, bonds, debentures or other securities convertible into shares may be issued and disposed of by the corporation to such person or persons and on such terms and for such consideration as the Board of Directors, in its absolute discretion, may deem advisable.

(d) The Board of Directors shall have the authority to divide the preferred shares into series and to fix and determine with respect to such preferred shares:

- (i) the rate of dividend;
- (ii) whether shares may be called or redeemed, and, if so, the call or redemption price and the terms and conditions of call;
- (iii) the amount payable upon shares in the event of voluntary and involuntary liquidation;
- (iv) sinking fund provisions, if any, for the call or redemption of shares;
- (v) the terms and conditions, if any, on which shares may be converted;
- (vi) voting rights;
- (vii) whether the shares shall be cumulative, non-cumulative, or partially cumulative as to dividends and the dates from which any cumulative dividends are to accumulate.
- (viii) any other designations pertaining to such shares not forbidden by law.

6. A series of preferred shares of the corporation is hereby given the distinctive designation of "Series A Convertible Preferred Stock," said series to consist of one hundred thirty-nine thousand two hundred eighty-six (139,286) shares without par value, of which the preferences and relative participating, optional or other special rights, and the qualifications, limitations or restrictions thereof shall be as follows:

(a) Cash Dividends. The holders of Series A Convertible Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors of the funds of the

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corporation legally available therefor cash dividends at the annual rate of four hundred percent (400%) of the dividend paid upon common shares for the same period, before any dividend shall be paid to the holders of any common shares. Cash dividends shall be paid beginning with the first dividend payment date following date of issuance of such shares.

(b) Redemption. Series A Convertible Preferred Stock shall not be redeemable.

(c) Voting Rights. At every meeting of shareholders of the corporation, every holder of Series A Convertible Preferred Stock shall be entitled to one (1) vote for each share standing in his name on the books of the corporation, with the same and identical voting rights, except as expressly provided herein, as a holder of a common share.

(d) Priority on Dissolution. In the event of any liquidation, dissolution or winding up of the affairs of the corporation, whether voluntary or otherwise, after payment or provision for payment of the debts and other liabilities of the corporation, the holders of Series A Convertible Preferred Stock shall be entitled to receive, out of the remaining net assets of the corporation, for each share of Series A Convertible Preferred Stock four hundred percent (400%) of the amount to be paid to the holder of each common share. Such payment to such preferred shareholders shall not be preferred over payments to common shareholders.

(e) Conversion into Common Shares.

(i) Subject to the provisions herein, the holder of record of any share or shares of Series A Convertible preferred Stock shall have the right, at his option, to convert each said share of Series A Convertible Preferred Stock into four (4) fully paid and non-assessable common shares of the corporation.

(ii) Any holder of shares of Series A Convertible Preferred Stock desiring to convert such into common shares shall surrender the certificate or certificates representing the shares of Series A Preferred Stock so to be

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converted, duly endorsed to the corporation or in blank, at the principal office of the corporation (or such other place as may be designated by the corporation), and shall give written notice to the corporation at said office that he elects to convert the same, and setting forth the name or names (with the address or addresses) in which the common shares are to be issued.

(iii) Conversion shall be subject to the following provisions:

(A) As soon as practicable after surrender for conversion of any Series A Convertible Preferred Stock, the corporation shall deliver or cause to be delivered at the principal office of the corporation (or such other place as may be designated by the corporation), to the written order of the holder of such Series A Convertible Preferred Stock, certificates representing the common shares issuable upon such conversion, issued in such name or names as such holder may direct.

Conversion shall be deemed to have taken place as of the close of business on the day of the surrender of the Series A Convertible Preferred Stock, as provided above, and the rights of the holder shall cease at such time, and the person or persons in whose name the common shares are to be issued shall be treated for all purposes as having become the record holder of such common shares at such time; provided, however, that any such surrender on any date when the stock transfer books of the corporation shall be closed shall constitute the persons or persons in whose name or names the certificate for such shares is to be issued as the record holder or holders thereof for all purposes at the close of business on the next succeeding day on which such stock transfer books are open.

(B) The corporation shall not be required to issue any fractions of common shares upon the conversion of Series A Convertible Preferred Stock. If any fractional common shares would otherwise be deliverable upon the conversion of any Series A Convertible Preferred Stock, the corporation shall make adjustment for such fractional share interest by payment of an amount in cash equal to the same

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fraction of the market value of a full common share of the corporation on the close of the trading day immediately preceding the date upon which such shares are surrendered for conversion.

(C) In the event the corporation shall at any time subdivide or combine in a greater or lesser number of shares of the outstanding common shares, the number of common shares issuable upon conversion of Series A Convertible Preferred Stock shall be proportionately increased in a case of a subdivision or decreased in a case of combination, effective in either case at the close of business on the date when such subdivision or combination shall become effective.

(D) In the event the corporation shall at any time pay to the holders of common shares a dividend in common shares, the number of common shares issuable upon conversion of the Series A Convertible Preferred Stock shall be proportionately increased, effective at the close of business on the record date for determination of the holders of common shares entitled to such dividend.

(E) No adjustment of the conversion ratio of the Series A Convertible Preferred Stock shall be made by reason of any event except those enumerated above in (C) and (D).

(f) Limitations. So long as any shares of Series A Convertible Preferred Stock are outstanding the corporation shall not, without the affirmative vote or written consent as provided by law, of the holders of at least two-thirds (2/3) of the outstanding shares of Series A Convertible Preferred Stock, voting as a class, change the preferences, rights or limitations with respect to Series A Convertible Preferred Stock, in any material respect prejudicial to the owners thereof, but nothing herein contained shall require such a class vote or consent (i) in connection with any increase in the total number of authorized common shares or Series A Convertible Preferred Stock, or (ii) in connection with authorization, designation, increase, decrease or issuance of any preferred shares or any class or series of shares ranking on a parity with a Series A Convertible Preferred Stock, or (iii) in connection with any redemption or

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conversion of any series or class of shares, or (iv) in connection with the issuance of any presently authorized but unissued preferred shares and provided that the provisions of this paragraph shall not in any way limit the right and power of the corporation to issue any bonds, notes, mortgages, debentures and other obligations, and to incur indebtedness to banks and to other lenders.

(g) Pre-emptive Rights. Series A Convertible Preferred Stock shall have no pre-emptive rights.

7. The corporation is for profit.

8. The purpose of purposes for which the corporation is organized are to buy, sell, produce, manufacture, distribute and dispose of all kinds of goods, wares, merchandise, manufactures, commodities, furniture, machinery, tools, supplies and products, and generally, to engage in and conduct any form of manufacturing, mercantile or commercial enterprise not contrary to law; to lease, buy, sell, use, mortgage, improve and otherwise handle, deal in, and dispose of all property, real, personal and mixed, as may be necessary or convenient in connection with the business of the corporation; and without limitation upon the foregoing, to manufacture, buy, sell, lease and generally deal in medicines, drugs, chemicals, chemical specialities, cosmetics, food products, surgical, pharmaceutical, physician's and hospital supplies and equipment, scientific apparatus and all other items of every kind and description, and any and all articles and things connected therewith or part thereof. The corporation is further authorized and empowered to engage in any other activity or carry on any other trade or business which a corporation may legally conduct under the laws of the State of Tennessee.

9. The duration of the corporation is perpetual.

10.A. (1) Subject to the provisions of any series of preferred shares which may at the time be outstanding and in addition to any affirmative vote required by law or this Restated Charter, and except as otherwise expressly provided in subparagraph B of this Paragraph 10:

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(a) any merger or consolidation of the corporation or any Subsidiary (as defined below) with (i) any Interested Shareholder (as defined below) or (ii) any other corporation (whether or not itself an Interested Shareholder) which is or after such merger or consolidation would be an Affiliate (as defined below) of any Interested Shareholder; or

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Shareholder or any Affiliate of any Interested Shareholder of any assets of the corporation or of any Subsidiary having an aggregate Fair Market Value (as defined below) of \$5,000,000 or more; or

(c) the issuance or transfer by the corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the corporation or any Subsidiary to any Interested Shareholder or any Affiliate of any Interested Shareholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value of \$5,000,000 or more; or

(d) the adoption of any plan or proposal for the liquidation or dissolution of the corporation proposed by or on behalf of any Interested Shareholder or any Affiliate of any Interested Shareholder; or

(e) 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 or any other transaction (whether or not with or into or otherwise involving an Interested Shareholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the corporation or any Subsidiary which is directly or indirectly owned by any Interested Shareholder or any Affiliate of any Interested Shareholder; shall require the affirmative vote of the holders of at least 80% of the then outstanding Voting Shares (as defined below) of the corporation, including the affirmative vote of the holders of at

least 80% of the then outstanding Voting Shares of the corporation, other than those beneficially owned by such Interested Shareholder. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

(2) The term "Business Combination" as used in this Paragraph 10 shall mean any transaction which is referred to in any one or more of clauses (a) through (e) of subparagraph (1) of this subparagraph A.

B. The provisions of subparagraph A of this Paragraph 10 shall not be applicable to any particular Business Combination and such Business Combination shall require only such affirmative vote as is required by law and any other provision of this Restated Charter, if all the conditions specified in either of the following subparagraphs (1) or (2) are met.

(1) The Business Combination shall have been approved by a majority of the Continuing Directors (as defined below); provided that such approval shall only be effective if obtained at a meeting at which a Continuing Director Quorum (as defined below) is present; or

(2) All of the following conditions shall have been met:

(a) The aggregate amount of (x) cash and (y) Fair Market Value as of the date of the consummation of the Business Combination of other consideration to be received per share by holders of common shares in such Business Combination shall be at least equal to the highest amount determined under subclauses (i), (ii) and (iii) below:

(i) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Shareholder for any common share of the corporation acquired by it (A) within the two year period immediately prior to the first public announcement of the proposal of the Business Combination (the

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"Announcement Date") or (B) in the transaction in which it became an Interested Shareholder, whichever is higher:

(ii) The Fair Market Value per common share on the Announcement Date or on the date on which the Interested Shareholder became an Interested Shareholder (such later date is referred to in this Paragraph 10 as the "Determination Date"), whichever is higher; and

(iii) (if applicable) the price per share equal to the Fair Market Value per common share determined pursuant to subparagraph (2)(a)(ii) above, multiplied by the ratio of (A) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Shareholder for any common share of the corporation acquired by it within the two year period immediately prior to the Announcement Date to (B) the Fair Market Value per common share of the corporation on the first day in such two year period on which the Interested Shareholder acquired any common share.

(b) The aggregate amount of (x) cash and (y) Fair Market Value as of the date of the consumation of the Business Combination of other consideration to be received per share by holders of shares of any class of outstanding preferred shares of the corporation shall be at least equal to the highest amount determined under subclauses (i), (ii), (iii) and (iv) below:

(i) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Shareholder for any shares of such class of preferred shares acquired by it (A) within the two year period immediately prior to the Announcement Date or (B) in the transaction in which it became an Interested Shareholders, whichever is higher;

(ii) the highest preferential amount per share to which the holders of shares of such class of preferred shares would be entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the

affairs of the corporation, regardless of whether the Business Combination to be consummated constitutes such an event:

(iii) the Fair Market Value per share of such class of preferred shares on the Announcement Date or on the Determination Date, whichever is higher; and

(iv) (if applicable) the price per share equal to the Fair Market Value per share of such preferred shares determined pursuant to subparagraph (2)(b)(iii) above, multiplied by the ratio of (A) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Shareholder for any shares of such class of preferred shares acquired by it within the two year period immediately prior to the Announcement Date to (B) the Fair Market Value per share of such preferred shares on the first day in such two year period on which the Interested Shareholder acquired any shares of such class of preferred shares.

The provisions of this subparagraph (2)(b) shall be required to be met with respect to every class of preferred shares of the corporation, whether or not the Interested Shareholder has previously acquired any shares of a particular class of preferred shares.

(c) The consideration to be received by holders of a particular class of outstanding shares shall be in cash or in the same form as the Interested Shareholder has previously paid for shares of such class of stock; if the Interested Shareholder has paid for shares of any class of any stock with varying forms of consideration, the form of consideration for such class of stock shall be either cash or the form used to acquire the largest number of shares of such class of stock previously acquired by it.

(d) After such Interested Shareholder has become an Interested Shareholder and prior to the consummation of such Business Combination, (i) except as approved by a majority of the Continuing Directors, there shall have been no failure to declare and pay at the regular date therefor any dividends

employees, customers, suppliers and other constituents of the corporation and its subsidiaries and on the communities in which the corporation and its subsidiaries operate or are located, the desirability of maintaining independence from any other entity and the goals and objectives of any person (as defined in Paragraph 10) making an Acquisition Proposal for itself and the corporation.

13. The business and affairs of the corporation shall be managed by a Board of Directors comprised as follows:

(1) The Board of Directors shall consist of the number of persons stated in the By-laws of the corporation. The Board of Directors may change the number of authorized directors from time to time by amending the By-laws pursuant to a resolution accepted by a majority vote of the directors then in office. No increase in the number of directors constituting the Board of Directors shall shorten the term of any incumbent directors.

(2) Beginning with the Board of Directors to be elected at the annual meeting of shareholders held in 1984, directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three classes, as nearly equal in number as possible. At such meetings, separate elections shall be held for the directors of each class, those of the first class to be elected for a term of office to expire at the 1985 annual meeting of shareholders, those of the second class to be elected for a term of office to expire at the 1986 annual meeting of shareholders, and those of the third class to be elected for a term of office to expire at the 1987 annual meeting of shareholders. At each succeeding annual meeting of shareholders, the class of directors then being elected shall be elected to hold office for a term of office to expire at the third succeeding annual meeting of shareholders after their election. Each director shall hold office for the term for which elected and until his or her successor shall have been elected and qualified.

(3) Subject to the rights of the holders of any series of preferred shares then outstanding, any director may be removed from office only by vote of the directors at any time, and

banking firm as to the fairness (or lack thereof, of the terms) of the Business Combination, from the point of view of the remaining public shareholders of the corporation (such investment banking firm to be engaged solely on behalf of the remaining public shareholders, to be paid a reasonable fee for its services by the corporation upon receipt of such opinion, to be an investment banking firm which has not previously been associated with the Interested Shareholder and, if there are at the time any such directors associated with the Interested Shareholders, to be selected by a majority of the Continuing Directors).

C. For the purposes of this Paragraph 10:

(1) The term "person" shall mean any individual, firm, corporation or other entity.

(2) The term "Interested Shareholder" 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 Subsidiary or any Trustee of or fiduciary with respect to any such plan when acting in such capacity) who or which:

(a) is the beneficial owner (as hereinafter defined) of more than twenty percent (20%) of the outstanding Voting Shares held beneficially; or

(b) is an Affiliate (as hereinafter defined) of the corporation and at any time within the two year period immediately prior to the Determination Date was the beneficial owner of more than twenty percent (20%) of the outstanding Voting Shares held beneficially; or

(c) is an assignee of or has otherwise succeeded to any of the Voting Shares which were at any time within the two year period immediately prior to the Determination Date beneficially owned by any Interested Shareholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

(3) A person shall be a "beneficial owner" of any Voting Shares:

(a) which such person or any of its Affiliates or Associates (as hereinafter defined) beneficially owns, directly or indirectly; or

(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 only after 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 Voting Shares.

(4) For the purpose of determining whether a person is an Interested Shareholder pursuant to subparagraph (2) of this subparagraph C, the number of Voting Shares deemed to be outstanding shall include shares deemed owned through application of subparagraph (3) of this subparagraph C but shall not include any other Voting Shares which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(5) The terms "Affiliate" or "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on August 1, 1984.

(6) The term "Subsidiary" means any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the corporation; provided that for the purposes of the definition of Interested Shareholder set forth in subparagraph (2) of this subparagraph C, the term "Subsidiary" shall mean only a corporation of which a majority of each class of

equity security is owned, directly or indirectly, by the corporation.

(7) The term "Continuing Director" means any member of the Board of Directors of the corporation (the "Board") who is unaffiliated with the Interested Shareholder attempting to effect, directly or indirectly, a proposed Business Combination and who was a member of the Board prior to the time that such Interested Shareholder became an Interested Shareholder, and any successor of a Continuing Director who is unaffiliated with such Interested Shareholder and is recommended or elected to succeed a Continuing Director by a majority of Continuing Directors, provided that such recommendation or election shall only be effective if made at a meeting at which a Continuing Director quorum is present.

(8) The term "Continuing Director Quorum" means the number of Continuing Directors equal to the greater of a majority of the Continuing Directors in office immediately prior to the time that the Interested Shareholder became an Interested Shareholder or eight Continuing Directors, and which are capable of exercising the powers conferred upon them under the provisions of the Charter or By-Laws of the corporation or by law.

(9) The term "Fair Market Value" means, as of any date, (1) in case of stock, the highest closing sale price during the 30 consecutive days immediately preceding such date 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 Securities Exchange Act of 1934 on which such stock is listed; or, if such stock is listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30 consecutive days preceding such date on the National Association of Securities Dealers Automated Quotations System or any system then in use, or, if no such quotations are available, the fair market value on such date of a share of such stock as determined in good faith by a

majority of Continuing Directors, provided that such determination shall only be effective if made at a meeting at which a Continuing Director Quorum is present; and 11, in the case of property other than cash or stock, the fair market value of such property on such date as determined in good faith by a majority of Continuing Directors, provided that such determination shall only be effective if made at a meeting at which a Continuing Director Quorum is present.

(10) In the event of any Business Combination in which the corporation survives, the phrase "other consideration to be received," as used in subparagraphs (2)(a) and (b) of subparagraph B of this Paragraph 9 shall include the common shares and/or the shares of any other class of stock retained by the holders of such shares.

11. The term "Voting Shares" means both any common and preferred shares of stock of the corporation entitled to vote at meetings of shareholders of the corporation.

D. Nothing contained in this Paragraph 10 shall be construed to relieve any Interested Shareholder from any fiduciary obligation imposed by law.

E. The provisions of this Paragraph 10 may not be repealed or amended in any respect, unless such action is approved by the affirmative vote of the holders of not less than 80% of the outstanding Voting Shares, subject to the provisions of any series of preferred shares which may at the time be outstanding; provided that if there is an Interested Shareholder, such 80% vote must include the affirmative vote of the holders of at least 80% of the outstanding Voting Shares other than those beneficially owned by the Interested Shareholder, subject to the provisions of any series of preferred shares which may at the time be outstanding.

11. (1) Subject to the provisions of any series of preferred shares which may at the time be outstanding, the affirmative vote of the holders of not less than 75% of the outstanding Voting Shares (as defined in Paragraph 10 hereof) of the corporation and the affirmative vote of the holders of not less than 66-2/3% of the outstanding Voting Shares of the

corporation other than those beneficially owned (as defined in Paragraph 10) by an Interested Shareholder (as defined in Paragraph 10) (the "two-tier voting requirement"), shall be required for the approval or authorization of any Business Combination (as defined in Paragraph 10) of the corporation with such Interested Shareholder; provided that the two-tier voting requirement shall not be applicable if the Business Combination was approved by a majority of the Continuing Directors (as defined in Paragraph 10) at a meeting at which a Continuing Director Quorum (as defined in Paragraph 10) is present.

(2) The provisions of this Paragraph 11 may not be repealed or amended in any respect, unless such action is approved by the affirmative vote of the holders of not less than 75% of the outstanding Voting Shares of the corporation, subject to the provisions of any series of preferred shares which may at the time be outstanding; provided that if there is an Interested Shareholder, such 75% vote must include the affirmative vote of the holders of at least 66-2/3% of the outstanding Voting Shares other than those beneficially owned by the Interested Shareholder, subject to the provisions of any series of preferred shares which may at the time be outstanding.

12. The Board of Directors of the corporation, when evaluating any offer of another person (as defined in Paragraph 10 hereof) to (a) make a tender or exchange offer for any equity security of the corporation, (b) merge or consolidate the corporation with another person, or (c) purchase or otherwise acquire all or substantially all of the properties and assets of the corporation (an "Acquisition Proposal"), may, in connection with the exercise of its business judgment in determining what is in the best interests of the corporation and its shareholders, give due consideration to all relevant factors, including without limitation the consideration being offered in the Acquisition Proposal in relation to the then-current value of the corporation in a freely negotiated transaction and in relation to the Board of Directors' then estimate of the future value of the corporation as an independent entity, the social and economic effects on the

employees, customers, suppliers and other constituents of the corporation and its subsidiaries and on the communities in which the corporation and its subsidiaries operate or are located, the desirability of maintaining independence from any other entity and the goals and objectives of any person (as defined in Paragraph 10) making an Acquisition Proposal for itself and the corporation.

13. The business and affairs of the corporation shall be managed by a Board of Directors comprised as follows:

(1) The Board of Directors shall consist of the number of persons stated in the By-laws of the corporation. The Board of Directors may change the number of authorized directors from time to time by amending the By-laws pursuant to a resolution adopted by a majority vote of the directors then in office. No increase in the number of directors constituting the Board of Directors shall shorten the term of any incumbent directors.

(2) Beginning with the Board of Directors to be elected at the annual meeting of shareholders held in 1984, directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three classes, as nearly equal in number as possible. At such meeting, separate elections shall be held for the directors of each class, those of the first class to be elected for a term of office to expire at the 1985 annual meeting of shareholders, those of the second class to be elected for a term of office to expire at the 1986 annual meeting of shareholders, and those of the third class to be elected for a term of office to expire at the 1987 annual meeting of shareholders. At each succeeding annual meeting of shareholders, the class of directors then being elected shall be elected to hold office for a term of office to expire at the third succeeding annual meeting of shareholders after their election. Each director shall hold office for the term for which elected and until his or her successor shall have been elected and qualified.

(3) Subject to the rights of the holders of any series of preferred shares then outstanding, any director may be removed from office only by vote of the directors at any time, and

only for cause duly assigned and established. As used herein, "for cause" means final conviction of a felony, declaration of unsound mind by court order, adjudication of bankruptcy or conduct prejudicial to the interest of the corporation, which shall include, without limitation, an officer who is a director ceasing to be an officer. Provided, however, that any such removal for "conduct prejudicial to the interest of the corporation" may be made only if at least 75% of the Continuing Directors (as defined in Paragraph 10 hereof) but in any event no less than the majority of the entire board votes in favor of such removal for such reason.

(4) Any officer may be removed from office with or without cause only by vote of at least 75% of the Continuing Directors but in any event by vote of no less than the majority of the entire board.

(5) Subject to the rights of the holders of any series of preferred shares then outstanding, newly created directorships resulting from an increase in the number of authorized directors and vacancies occurring in the board for any reason, including, without limitation, removal from office by vote of the directors as herein provided, shall be filled only by a vote of at least 75% of the Continuing Directors. Any director so elected shall hold office until the annual meeting of shareholders at which the term of the class to which he or she has been elected expires.

(6) The provisions of this Paragraph 13 may not be repealed or amended in any respect, nor may the number of directors be increased by shareholders, unless such action is approved by the affirmative vote of the holders of not less than 80% of the outstanding Voting Shares (as defined in Paragraph 10 hereof), subject to the provisions of any series of preferred shares which may at the time be outstanding; provided that if there is an Interested Shareholder (as defined in Paragraph 10 hereof), such 80% vote must include the affirmative votes of the holders of at least 75% of the outstanding Voting Shares other than those beneficially owned by the Interested Shareholder.

subject to the provisions of any series of preferred shares which may at the time be outstanding.

14. (1) A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for any breach of fiduciary duty as a director occurring on or after January 1, 1988, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of law, or (iii) for distributions in violation of Section 48-18-304 of the Tennessee Code Annotated. If the Tennessee Business Corporation Act is amended after approval by the shareholders of this article in order to authorize or permit corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Tennessee Business Corporation Act, as so amended.

Any repeal or modification of the foregoing paragraph by the shareholders of the corporation shall not adversely effect any right or protection of a director of the corporation existing at the time of the repeal or modification.

(2) Right to Indemnification. Effective January 1, 1988, each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director, officer or employee of the corporation or is or was serving on the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (hereinafter "indemnitee") whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer employee

or agent, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Tennessee Business Corporation Act, as the same exists or may hereafter be amended, but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, or employee and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that, except as provided in Paragraph 14(3) with respect to proceedings to enforce a right to indemnification hereunder, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation. The right to indemnification conferred in this paragraph shall be a contractual right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter "advancement expenses"); provided, however, that, if the Tennessee Business Corporation Act so requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director, officer or employee shall be made only upon (i) delivery of written affirmation of the indemnitee's good faith belief that any applicable standard of conduct required by the Tennessee Business Corporation Act has been met, and (ii) delivery of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this paragraph or otherwise (hereinafter an "undertaking").

(3) Right of Indemnitees to Bring Suit. If a

claim under Paragraph 14(2) is not paid in full by the corporation within sixty days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If the indemnitee is successful in whole or in part in any such suit or in any suit brought by the corporation to recover an advancement of expenses pursuant to the terms of the undertaking, the indemnitee shall be entitled to also be paid the expense of prosecuting or defending such a suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit by the corporation to recover an advancement of expenses pursuant to the terms of the undertaking the corporation shall be entitled to such expenses upon a final adjudication that, the indemnitee has not met the applicable standard of conduct set forth in the Tennessee Business Corporation Act, as amended. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Tennessee Business Corporation Act, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel and shareholders) that the indemnitee has not met such applicable standard of conduct shall create a presumption that the indemnitee has failed to meet the applicable standard of conduct or be a defense to such suit. In any suit brought by the indemnitee to enforce a right hereunder, or by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to indemnification or

advancement expenses under paragraph 14(2) or otherwise shall be on the corporation.

(4) Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in Paragraph 14(2) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the corporation's Amended and Restated Charter or Amended and Restated By-laws, agreement, vote of shareholders or disinterested directors or otherwise. The indemnitee's right to indemnification and advancement of expenses under Paragraph 14(2) may but shall not be required to be evidenced by a separate written agreement.

(5) Insurance. The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Tennessee Business Corporation Act, as amended.

(6) Indemnification of Agents of the Corporation. The corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses, to any agent of the corporation to the fullest extent permitted by Paragraph 14(2) with respect to the indemnification and advancement of expenses of directors, officers and employees of the corporation.

(7) Superseding Effect. The provisions of Paragraphs 14 (1)-(6) shall take effect on January 1, 1988, and shall supersede but not repeal the provisions of Article II, Section 5 of the corporation's Amended and Restated By-laws as to all claims by an indemnitee for indemnification or advancement expenses except where the provisions of Paragraph 14(2) are inapplicable to such claim for indemnification because of limitations imposed by law or by the express provisions of the paragraph.

DATED this 27th day of January, 1988.

CHATTEN, INC.

By: Alex Guerry
Alex Guerry
Chairman and President

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IDENTIFICATION
REFERENCE

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SARAH P. COFFRIESE
REC. CLERK
HAMILTON COUNTY
STATE OF TENNESSEE