
ARTICLES OF INCORPORATION
OF
SVI NEWCO, INC.

The undersigned, acting as incorporator under the Alabama Business Corporation Act adopts the following Articles of Incorporation:

ARTICLE I
Name

The name of this corporation (the "Corporation") shall be:

SVI NEWCO, INC.

ARTICLE II
Purposes

The nature of the business of the Corporation and its objects, purposes and powers are:

(a) To buy, sell, deal in, deal with, convert, manage, work up and otherwise handle metals and metal products of all kinds; to manufacture, prepare for market and sell any articles or products in the manufacture or composition of which any metal is a factor; to construct, acquire, lease, own, maintain and operate a machine shop or machine shops, foundry or foundries, and a manufacturing plant or manufacturing plants for the manufacture and working up of metal products or products partly metal and partly of other materials, commodities, fixtures and machinery and equipment of any and all kinds, including pipe and pipe fittings, valves, plumbing fixtures and accessories, plumbing materials and supplies, and pipe accessories, materials and supplies; to carry on a general contracting business with reference to the construction of anything in which metals or compositions of metals enter as a factor; to manufacture and sell all kinds of pipe and pipe fittings, valves and pipe accessories, materials and supplies of any kind whatsoever; to design, purchase and sell steel and iron and other metal products in the manufacture of any or all of such products, and to design, sell, construct and erect engineering and architectural structures and to contract for the construction and erection of such structures; to own and operate merchandise stores and commissaries, and to buy, sell, and deal in dry goods, groceries, shoes, merchandise, and commodities of any and all kinds;

(b) To manage, purchase, or acquire by assignment, transfer, or otherwise, and hold, mortgage, or otherwise pledge, and to sell, exchange, transfer, deal in, and in any manner dispose

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of, real or personal property of any kind, class, interest, or type wheresoever situated, and to exercise, carry out, and enjoy any license, power, authority, concession, right, or privilege which any corporation may make or grant in connection therewith;

(c) To subscribe for, acquire, hold, sell, assign, transfer, mortgage, pledge, or in any manner dispose of shares of stock, bonds, or other evidences of indebtedness or securities issued or created by any other corporation of Alabama or any other state or any foreign country and, while the owner thereof, to exercise the rights, privileges, and powers of ownership, including the rights to vote thereon, to the same extent as a natural person may do, subject to the limitations, if any, on such rights now or hereafter provided by the laws of Alabama;

(d) To acquire the goodwill, rights, assets, and properties, and to undertake the whole or any part of the liabilities of any person, firm, association, or corporation; to pay for the same in cash, the stock or other securities of the Corporation, or otherwise, to hold, or in any manner dispose of, the whole or any part of the property so acquired; to conduct in any lawful manner the whole or any part of the business so acquired; and to exercise all the powers necessary or convenient in and about the conduct and management of such business;

(e) To make contracts, including guarantee and suretyship contracts and indemnity agreements, incur liabilities, borrow money, issue its notes, bonds, and other obligations (which may be convertible into or include the option to purchase other securities of the Corporation), secure any of its obligations (or the obligations of others for whom it can make guarantees, whether or not a guarantee is made) by mortgage or pledge of or creation of security interests in any of its property, franchises, or income, and, without limiting the generality of the foregoing: (a) make contracts of guarantee and suretyship and indemnity agreements that are necessary or convenient to the conduct, promotion, or attainment of the business of the contracting Corporation, (b) make contracts of guarantee and suretyship and indemnity agreements that are necessary or convenient to the conduct, promotion, or attainment of the business of (i) an entity that is wholly owned, directly or indirectly, by the contracting Corporation, or (ii) a person that owns, directly or indirectly, all of the outstanding stock of the contracting Corporation, or (iii) an entity that is wholly owned, directly or indirectly, by a person that owns, directly or indirectly, all of the outstanding stock of the Corporation;

(f) To lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment;

(g) To be a promoter, incorporator, partner, member, trustee, associate, or manager of any domestic or foreign corporation, partnership, joint venture, trust, or other entity;

(h) To pay pensions and establish pension plans, pension trusts, profit sharing plans, share bonus plans, share option plans, or other welfare, benefit, or incentive plans for any or all of its current, future, or former directors, officers, employees, and agents;

(i) To make donations for the public welfare or for charitable, scientific, or educational purposes; and

(j) In general, to carry on any other lawful business whatsoever in connection with the foregoing or which is calculated, directly or indirectly, to promote the interest of the Corporation or to enhance the value of its properties.

The enumeration herein of the powers, objects, and purposes of the Corporation shall not be deemed to exclude or in any way limit by inference any powers, objects, or purposes which the Corporation is empowered to exercise, whether expressly by purpose or by any of the laws of the State of Alabama or any reasonable construction of such laws.

ARTICLE III **Capital Stock**

3.01 The total number of shares of all classes of capital stock ("Shares") which the Corporation shall have the authority to issue is Two Hundred Twenty Thousand Seven Hundred Ninety-Four (220,794), consisting of Forty-Six Thousand Five Hundred (46,500) shares of Common Stock, par value \$100, Seventy-Two Thousand Seven Hundred Ninety-Four (72,794) shares of \$5 Cumulative Preferred Stock, par value \$100, and One Hundred One Thousand Five Hundred (101,500) shares of \$6 Cumulative Preferred Stock, par value \$100.

3.02 A statement of the designations and powers, preferences and rights, and the qualifications, limitations or restrictions thereof with respect to each class of stock of the Corporation, the fixing of which by these Articles of Incorporation is desired, is as follows:

(a) From time to time all of said authorized stock may be issued in such amounts, for such purposes and for such considerations as shall be determined by the Board of Directors, and as may be permitted by law.

(b) The holders of the \$5 Cumulative Preferred Stock and the \$6 Cumulative Preferred Stock (hereinafter sometimes collectively referred to as the "Cumulative Preferred Stock") shall be entitled to the following rights, preferences and other special rights and shall be subject to the following qualifications, limitations and restrictions:

(i) **Dividends.**

(1) The holders of the \$5 Cumulative Preferred Stock and the \$6 Cumulative Preferred Stock shall be entitled, in preference to the holders of any other class of capital stock of the Corporation, to receive cumulative quarter-yearly dividends in cash at the rate of \$5 per share and \$6 per share, respectively, per annum. The regular quarter-yearly payment dates with respect to the Cumulative Preferred Stock shall be the first day of March, June, September and December. Each of such dates is hereinafter referred to as a "dividend payment date."

(2) Dividends on the Cumulative Preferred Stock shall be payable only when declared by the Board of Directors and shall be payable only out of funds legally available

for such purpose in accordance with Section 3.02(d) hereof. Dividends on shares of the Cumulative Preferred Stock shall be cumulative from the date of the issuance of such shares.

(3) So long as any shares of the Cumulative Preferred Stock are outstanding, no dividend shall be declared or paid on, nor shall any other distribution be made with respect to, the Common Stock or any class or series of stock, the rights of the holders of which are subordinate or junior to the Cumulative Preferred Stock, other than dividends payable in Common Stock or in such subordinate or junior stock, or both, nor shall any shares of the Common Stock or such subordinate or junior stock, or any capital stock convertible into Common Stock or into such subordinate or junior stock, be redeemed, purchased or otherwise acquired by the Corporation, other than by exchange for shares of the Common Stock or for shares of such subordinate or junior stock, or both, unless the dividends payable on all outstanding shares of the Cumulative Preferred Stock on all past dividend payment dates shall have been paid in full, and provision shall have been made for the payment of the then current quarterly dividend.

(ii) Liquidation.

(1) In the event of liquidation, dissolution or winding up of the Corporation, the Cumulative Preferred Stock shall be entitled to receive, out of the assets of the Corporation and before any distribution or payment shall be made on the Common Stock or on any other class or series of stock, the rights of the holders of which are subordinate or junior to the Cumulative Preferred Stock, an amount with respect to each share of the Cumulative Preferred Stock as follows:

(A) If the liquidation, dissolution or winding up be involuntary, an amount equal to \$100.00 per share, plus an amount equal to any accrued and unpaid dividends thereon to and including the date fixed for the payment of such amounts;

(B) If the liquidation, dissolution or winding up be voluntary, an amount equal to \$105.00 per share of \$5 Cumulative Preferred Stock and \$106.00 per share of \$6 Cumulative Preferred Stock, plus an amount equal to any accrued and unpaid dividends thereon to and including the date fixed for the payment of such amounts.

(2) In the event that the assets of the Corporation available for distribution to the holders of the Cumulative Preferred Stock shall not be sufficient to make, in full, the payments herein required to be made, such assets shall be distributed to the holders of the respective shares of the Cumulative Preferred Stock, pro rata in proportion to the amounts payable hereunder upon each share thereof.

(3) If upon such liquidation, dissolution or winding up, payment shall have been made in full on all of the outstanding shares of the Cumulative Preferred Stock, the remaining assets of the Corporation shall be distributed on the Common Stock or on any other class of stock that is subordinate or junior to the Cumulative Preferred Stock, and no share of the Cumulative Preferred Stock shall be entitled to participate in any distribution of such remaining assets.

(4) A consolidation or merger of the Corporation with one or more corporations, or a sale, lease or other transfer of any, or all, of the assets of the Corporation that does not result in the termination of the enterprise and the distribution of the assets to the shareholders, shall not be deemed to be a liquidation, dissolution or winding up.

(iii) Redemption.

(1) Except as hereinafter provided in this Section 3.02(b)(iii), the Corporation may not redeem the whole, or any part, of the Cumulative Preferred Stock without the consent of the holder thereof.

(2) Upon the request of any holder of the \$5 Cumulative Preferred Stock who desires to have the same purchased or redeemed by the Corporation for any one or more of the purposes which are, or may be, dealt with in Section 303 of the Internal Revenue Code of 1986, as amended (the "IRC"), as the same may from time to time be hereafter amended, or in any law which may contain provisions which correspond with, or are similar to, those now contained in said Section 303, as so amended, the Corporation shall purchase or redeem any of the \$5 Cumulative Preferred Stock at a price not in excess of \$100.00 per share, plus an amount equal to accrued and unpaid dividends thereon to the date of such purchase, in excess of declared dividends to such date. Upon the request of any holder of the \$6 Cumulative Preferred Stock who desires to have the same purchased or redeemed by the Corporation for any one or more of the purposes which are, or may be, dealt with in Section 303 of the IRC, as the same may from time to time be hereafter amended, or in any law which may contain provisions which correspond with, or are similar to, those now contained in said Section 303, as so amended, the Corporation shall purchase or redeem any of the \$6 Cumulative Preferred Stock at a price not in excess of \$100.00 per share, plus an amount equal to accrued and unpaid dividends thereon to the date of such purchase, in excess of declared dividends to such date.

(3) Notice of the desire of the holder to have shares of the Cumulative Preferred Stock redeemed for the purposes hereof shall be given to the Corporation in writing at least 20 days prior to the date fixed for redemption. Redemption of such Cumulative Preferred Stock for any one of the foregoing purposes may be made by a holder with respect to estate taxes and expenses described in said Section 303, whether or not the original owner of Common Stock, with respect to which the Cumulative Preferred Stock was distributed as a stock dividend, died before or after the issue of the Cumulative Preferred Stock.

(4) The Corporation shall not have the right to redeem any of the Cumulative Preferred Stock which, at the time of proposed redemption, constitutes Section 306 stock within the contemplation of Section 306 of the IRC, as the same may be hereafter amended from time to time, or any of such Cumulative Preferred Stock the proceeds of the redemption of which may be subject to taxation in accordance with principles which correspond with, or are similar to, the provisions respecting such taxation that are now contained in said Section 306. The Corporation may, nevertheless, purchase any such Section 306 stock at the request of the holder thereof. The Corporation may, at its option, redeem all, or any part of the \$5 Cumulative Preferred Stock or the \$6 Cumulative Preferred Stock which is not Section 306 stock at \$105.00

or \$106.00 per share, respectively, plus an amount equal to the accrued and unpaid dividends thereon to the date of such redemption by notice duly given as hereinafter specified.

(5) Notice of the intention of the Corporation to redeem shares of the Cumulative Preferred Stock shall be mailed at least 20 days prior to the date fixed for redemption to each holder of record of the shares to be redeemed at his post office address shown by the stock records of the Corporation. At any time after such notice has been mailed, the Corporation may deposit in trust the aggregate redemption price of the shares to be redeemed, together with an amount equal to accrued and unpaid dividends thereon to and including the date fixed for such redemption, with any bank or trust company having its principal place of business either in the City of Birmingham, Alabama, or in the Borough of Manhattan, City and State of New York, named in such notice, as redemption agent, payable in the amounts aforesaid to the respective orders of the record holders of the shares to be redeemed upon surrender of their certificates. Upon the deposit of such funds, said shareholders shall cease to be shareholders with respect to said shares, and from and after such deposit said holders shall have no interest in, or claim against, the Corporation with respect to said shares, but shall be entitled only to receive said moneys from said bank and trust company, without interest.

(6) If less than all of the shares of either series of Cumulative Preferred Stock are to be redeemed, the shares to be redeemed shall be selected by lot from among the shares that are subject to redemption, in such manner as the Board of Directors shall determine; provided, however, that no shares of the Cumulative Preferred Stock which constitute Section 306 stock shall be subject to redemption in any event without the consent of the holder or holders thereof.

(7) Any shares of the Cumulative Preferred Stock from time to time redeemed, purchased, or otherwise acquired by the Corporation shall be retired and cancelled, or may be held as treasury stock and later be re-issued, as may, in each case, be determined by the Board of Directors. Shares of the Cumulative Preferred Stock so redeemed, purchased, or otherwise acquired, whether or not retired and cancelled, shall have the status of authorized and unissued shares of the Cumulative Preferred Stock of the same series, and may be reissued from time to time upon such terms as may be determined by the Board of Directors, and at a price or prices not less than \$100.00 per share. Shares of Cumulative Preferred Stock held as treasury stock may be sold upon such terms as may be determined by the Board of Directors.

(iv) Voting Rights. The holders of the Cumulative Preferred Stock shall not be entitled to any voting rights with respect thereto except upon matters as to which the right of holders of Cumulative Preferred Stock to vote cannot be denied or waived under the laws of the State of Alabama.

(c) No holder of any stock of this Corporation shall be entitled as of right to purchase or subscribe for any part of any unissued stock of this Corporation or of any additional stock of any class to be issued by reason of any increase in the authorized capital stock of this Corporation or of preferred stock, bonds, certificates of indebtedness, debentures or other securities convertible into stock of this Corporation, but any such unissued stock, or any such additional authorized issue of new stock, or of securities convertible into stock may be issued

and disposed of by the Board of Directors to such persons, firms, corporations, or associations, and upon such terms as the Board of Directors may in their discretion determine, without offering to the stockholders then of record, or any class of stockholders, any thereof on the same terms or on any terms.

(d) Subject to the provisions of Section 3.02(b) hereof, distributions with respect to all classes and series of Shares shall be made only when, as and if authorized by the Board of Directors; provided, however, that no distribution may be made if, after giving it effect, (i) the Corporation would not be able to pay its debts as they become due in the usual course of business, or (ii) the Corporation's total assets would be less than its total liabilities (without regard to any amount that would be needed, if the Corporation were to be dissolved at the time of distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution).

(e) The Board of Directors is expressly authorized to create and issue, by resolution(s) adopted from time to time, warrants, rights, or options entitling the holders thereof to purchase Shares of any kind, class, or series, whether or not in connection with the issuance and sale of any Shares or other securities or evidences of indebtedness. The Board of Directors is also authorized expressly to determine the terms, including, without limit, the time or times within which, the price or prices and any adjustments thereto, whereby Shares may be purchased upon the exercise of any such warrant, right, or option. The judgment of the Board of Directors shall be conclusive as to the adequacy of the consideration received for any such rights or options.

(f) At all meetings of the shareholders of the Corporation each share of Common Stock shall be entitled to one vote.

(g) Unless otherwise required by law, the vote required to approve (i) a merger or share exchange; (ii) a sale, lease, exchange or other disposition of all or substantially all of the Corporation's property otherwise than in the usual and regular course of business; (iii) an amendment to the Corporation's Articles of Incorporation; or (iv) the dissolution of the Corporation shall be the majority of the Corporation's outstanding Common Stock, and the holders of Cumulative Preferred Stock shall not be entitled to any voting rights with respect thereto.

ARTICLE IV **Board of Directors**

In furtherance of and not in limitation of the powers conferred by the laws of the State of Alabama, the Board of Directors is further expressly authorized:

(a) To make and alter the by-laws of the Corporation;

(b) To fix the amount to be reserved as working capital and to authorize and cause to be executed mortgages and liens upon the property and franchises of the corporation;

(c) To fix or change the number of directors from time to time, within the limits provided by the by-laws;

(d) To fill any vacancy on the Board of Directors resulting from an increase in the number of directors or otherwise;

(e) If the by-laws so provide or by resolution passed by a majority of the whole board, to designate two or more of their number to constitute an executive committee, which committee shall for the time being, as provided in said resolution or in the by-laws of the Corporation, have and exercise any or all of the powers of the Board of Directors in the management of the business and affairs of the Corporation and have power to authorize the seal of the Corporation to be affixed to all papers which may require it;

(f) To designate from their number such committees with such powers and duties as may be fixed in the resolution designating such committees; and

(g) From time to time to determine whether and to what extent and at what times and places and under what conditions and regulations the books and accounts of the Corporation, or any of them other than the stock ledger, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by law or authorized by resolution of the directors or of the stockholders.

The Corporation may in its by-laws confer powers additional to the foregoing upon the directors, in addition to the powers and authorities expressly conferred upon them by law. If the by-laws so provide, the stockholders and directors shall have power to hold their meetings, to have an office or offices, and to keep the books of this Corporation (subject to the provisions of the Alabama Business Corporation Act) outside the State of Alabama at such places as may from time to time be designated by them. Directors of the Corporation need not be stockholders thereof.

ARTICLE V **Miscellaneous**

5.01 In furtherance and not in limitation of the powers conferred by law, the following provisions for the regulation of the Corporation, its directors and shareholders are hereby established:

(a) The private property of the shareholders shall not be subject to the payment of corporate debts to any extent whatsoever.

(b) The Corporation reserves the right to amend, alter, change, or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by law, and all rights conferred on officers, directors and shareholders hereby or by any amendment hereof are granted subject to this reservation.

5.02 The Corporation is to have perpetual existence.

ARTICLE VI
Registered Office and Agent

The location and mailing address of the Corporation's registered office shall be 100 Chase Park South, Suite 250, Birmingham, Alabama 35244, and the registered agent at such address shall be Anita Aaron.

ARTICLE VII
Initial Board of Directors

The Corporation's initial Board of Directors shall consist of five (5) persons who shall serve until the first annual meeting of the shareholders and until their successors are elected and qualified. The names and addresses of the members of the Board of Directors are as follows:

<u>Name</u>	<u>Address</u>
Herbert Stockham	Post Office Box 130118 Birmingham, Alabama 35213
Charles Stockham	600 Morganton Road Y-16 Pine Hurst, North Carolina 28374
Robert David	3011 Cherokee Road Birmingham, Alabama 35223
Joseph M. Farley	Post Office Box 306 Birmingham, Alabama 35201
Thomas Holton	402 Office Park Drive Suite 100 Birmingham, Alabama 35223

ARTICLE VIII
Incorporator

The name and address of the Incorporator of the Corporation is as follows:

Morgan Campbell
100 Chase Park South
Suite 250
Birmingham, Alabama 35244

Dated the 11th day of February, 2002.

INCORPORATOR


Morgan Campbell

This Instrument was prepared by:

Kelly C. Gruesbeck
Balch & Bingham LLP
1901 Sixth Avenue North, Suite 2600
Birmingham, Alabama 35203
(205) 251-8100

STATE OF ALABAMA

I, Jim Bennett, Secretary of State of the State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that

pursuant to the provisions of Section 10-2B-4.02, Code of Alabama 1975, and upon an examination of the corporation records on file in this office, the following corporate name is reserved as available:

SVI Newco, Inc.

This domestic corporation name is proposed to be incorporated in Shelby County and is for the exclusive use of Anne Marie Myers, PO Box 306, Birmingham, AL 35201-0306 for a period of one hundred twenty days beginning February 6, 2002 and expiring June 7, 2002.



In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the City of Montgomery, on this day.

February 6, 2002

Date

Jim Bennett

A handwritten signature in dark ink, appearing to read 'Jim Bennett', is written over a horizontal line.

Secretary of State

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