

ARTICLE II

TERMS OF MERGER, CONSTITUENT CORPORATIONS
AND SURVIVING CORPORATION

§ 2.01. CONSTITUENT CORPORATIONS AND SURVIVING CORPORATION; CHANGE OF NAME. The names of the constituent corporations are THE ERVIN COMPANY and CYANAMID DEVELOPMENT COMPANY. CYANAMID DEVELOPMENT COMPANY shall be the Surviving Corporation. Upon the Effective Date of the Merger the Certificate of Incorporation of CYANAMID DEVELOPMENT COMPANY shall be amended to change the name of such corporation to THE ERVIN COMPANY. Except for such change of name, Cyanamid Development Company's Certificate of Incorporation as in effect immediately prior to the Effective Date of the Merger shall be the Certificate of Incorporation of the Surviving Corporation.

§ 2.02. OUTSTANDING SHARES OF CAPITAL STOCK OF CONSTITUENT CORPORATIONS. At the date of this Agreement, ERVIN has outstanding 1,861,972 shares of Common Stock, which number of shares is not subject to change prior to the Effective Date of the Merger, and DEVELOPMENT has outstanding 1,000 shares of Common Stock.

§ 2.03. MANNER OF AUTHORIZATION OF THE MERGER. The Merger shall be authorized, with respect to ERVIN, by the affirmative vote of the holders of a majority of the shares of outstanding ERVIN Common Stock at a meeting duly called and held for the purpose of voting thereon or by the consent, pursuant to Section 228 of the Delaware General Corporation Law, of such holders; and with respect to DEVELOPMENT, by the consent pursuant to Section 228 of the Delaware General Corporation Law of CYANAMID as the sole stockholder of DEVELOPMENT.

§ 2.04. TERMS AND CONDITIONS OF MERGER; MODE OF CARRYING THE SAME INTO EFFECT; AND MANNER OF CONVERTING THE SHARES OF ERVIN INTO SHARES OF CYANAMID COMMON STOCK. (a) Immediately prior to the Effective Date of the Merger, CYANAMID shall issue to DEVELOPMENT, for delivery to the ERVIN Stockholders in accordance with this Agreement, the number of shares of CYANAMID Common Stock deliverable to the ERVIN Stockholders on the Effective Date of the Merger as provided herein.

(b) On the Effective Date of the Merger, each share of DEVELOPMENT Common Stock outstanding immediately prior to the Effective Date of the Merger shall continue to be outstanding as a share of Common Stock of the Surviving Corporation without any change therein.

(c) The ERVIN Stockholders are unable to agree among themselves as to the present fair value of ERVIN, and, accordingly, each ERVIN Stockholder shall elect, prior to the Effective Date of the Merger, to receive shares of CYANAMID Common Stock under either or both of the following options:

A. Each share of ERVIN Common Stock outstanding immediately prior to the Effective Date of the Merger as to which the holder thereof shall elect the option provided by this subparagraph A shall, on the Effective Date of the Merger, without any action on the part of the holder thereof, be changed into three hundred two thousand four hundred thirty-nine/one millionths (0.302439) of a share of CYANAMID Common Stock.

B. Each share of ERVIN Common Stock outstanding immediately prior to the Effective Date of the Merger as to which the holder thereof shall elect the option provided by this subparagraph B shall, on the Effective Date of the Merger, without any action on the part of the holder thereof, be changed into one hundred sixty-three thousand two hundred eighty-five/one millionths (0.163285) of a share of CYANAMID Common Stock. In addition, with respect to each share of ERVIN Common Stock as to which an ERVIN Stockholder shall have elected the option provided by this subparagraph B, such ERVIN Stockholder shall participate in the shares of CYANAMID Common Stock contingently deliverable as provided in paragraph (d) below to the extent of its proportionate share of the total number of shares of CYANAMID Common Stock deliverable on each