

determined for purposes of arriving at Cumulative Net Earnings and shall include any adjustments to net earnings made pursuant to this Agreement.

(vi) No decrease shall be made in the compensation of any officer or employee of the Surviving Corporation who is an ERVIN Stockholder below the rate of compensation paid to such officer or employee during the Fiscal Year ending March 31, 1970, except pursuant to resolution of the Board of Directors of the Surviving Corporation.

(vii) No charge shall be made to earnings in respect of the first \$75,000 of expenses incurred by ERVIN in connection with its proposed public offering.

(viii) No charge shall be made to earnings in respect of matters otherwise so chargeable to the extent that either CYANAMID or the Surviving Corporation shall have been paid or reimbursed with respect thereto pursuant to the Indemnity Contract referred to in § 6.02(j).

(h) Proper adjustment shall be made for any stock split, recapitalization, combination of shares or stock dividend of CYANAMID for purposes of the limitations contained in subparagraphs (d)(i) and (ii) on the number of shares of CYANAMID Common Stock to be delivered and also in respect of any such event the record or effective date of which occurs in any year during the period beginning March 1 and ending on the date of delivery of the shares delivered in such year, or the record or effective date of which occurs between the date of this Agreement and the Effective Date of the Merger.

(i) After the Effective Date of the Merger, each holder of a certificate which represented outstanding shares of ERVIN Common Stock immediately prior to the Effective Date of the Merger shall surrender such certificate to the Surviving Corporation at a time and place and in the manner provided by the Surviving Corporation, and upon such surrender shall receive certificates for the number of shares of CYANAMID Common Stock which such ERVIN Stockholder is entitled to receive in exchange for his shares of ERVIN Common Stock on the Effective Date of the Merger as provided in § 2.04(c) according to the election (after giving effect to any adjustment to such election provided for in § 2.04(c)) which such ERVIN Stockholder shall have previously made. Until so surrendered, each such certificate which, prior to the Effective Date of the Merger, represented outstanding shares of ERVIN Common Stock shall be deemed for all purposes to evidence the ownership of the shares of CYANAMID Common Stock to which such ERVIN Stockholder is so entitled; provided that unless and until any such certificate shall be so surrendered the holder of such certificate shall not have any voting rights in respect of such shares of CYANAMID Common Stock and shall not receive any dividends or other distributions made in respect of such shares of CYANAMID Common Stock but, upon surrender, there shall be paid to such ERVIN Stockholder the amount of dividends or other distributions which theretofore shall have become payable with respect to such shares of CYANAMID Common Stock. The right to receive contingent shares of CYANAMID Common Stock shall be nontransferable except by operation of law and shall not be represented by any certificate. Neither certificates for fractional shares of CYANAMID Common Stock nor scrip certificates therefor will be delivered to any ERVIN Stockholder on the Effective Date of the Merger or on any subsequent delivery date for shares of CYANAMID Common Stock. Account shall be kept of any fractional shares of CYANAMID Common Stock which would otherwise be deliverable to any ERVIN Stockholder subsequent to the Effective Date of the Merger, and when any such fractions aggregate a full share, such share shall be delivered. With respect to shares deliverable as of the Effective Date of the Merger and as of the last date for delivery of shares of CYANAMID Common Stock CYANAMID will make appropriate arrangements to enable any ERVIN Stockholder to sell fractional interests or to purchase sufficient fractional interests to entitle him to a full share of CYANAMID Common Stock.

(j) In the event that there exists at August 1, 1975, a dispute or any other condition which affects the determination of the number of shares finally deliverable hereunder, then on or prior to August 15, 1975 there shall be issued by CYANAMID to the Surviving Corporation such number of shares as the ERVIN Stockholders shall in good faith claim are so deliverable; the Surviving Corporation shall deliver a certificate representing such shares, registered in the name of the then acting representative referred to in § 8.03, to such representative, who shall immediately deliver such certificate, in freely negotiable form, to a bank or trust company selected by CYANAMID, to which the ERVIN Stockholders shall have