

(b) In case the Company at any time during the existence of the right of conversion shall issue or sell (or be deemed to have issued or sold as hereinafter in this Section 6.05 provided) any additional shares of Common Stock for a consideration per share less than the conversion price in effect immediately prior to the time of such issue or sale, then forthwith upon such issue or sale such conversion price shall be reduced to an adjusted conversion price, determined as follows:

(1) the sum of the basic shares and the number of additional shares of Common Stock, if any, issued or deemed to have been issued or sold at a price or prices equal to or greater than the conversion price in effect immediately prior to the time of the issue or sale thereof shall be multiplied by the conversion price in effect immediately prior to the time of such issue or sale of additional Common Stock;

(2) the proceeds of the issue or sale of the number of additional shares of Common Stock, if any, issued or sold (or deemed to have been issued or sold) at a price or prices less than the conversion price in effect immediately prior to the time of the issue or sale thereof shall be ascertained;

(3) the sum of the product arrived at as provided in the foregoing subdivision (1) and the proceeds of the issue or sale of Common Stock ascertained as provided in the foregoing subdivision (2) shall be divided by the total number of basic and additional shares of Common Stock referred to in said subdivisions (1) and (2); and the quotient calculated to the nearest cent shall be the adjusted conversion price.

In no event shall the adjusted conversion price be greater than \$1 per share, except in the case of a contraction of the number of outstanding shares as provided in paragraph (h) of this Section 6.05.

(c) In case the Company shall issue or sell any securities or obligations convertible into shares of Common Stock, such issue or sale shall be deemed for the purpose of this Section 6.05 to be an issue or sale forthwith of the total maximum number of shares of Common Stock then necessary for the conversion of such securities or obligations. The consideration received for such Common Stock shall be deemed to be the sum of (i) the aggregate minimum consideration received or receivable by the Company for the issue or sale of such convertible securities or obligations plus (ii) the aggregate minimum consideration, if any, payable to the Company

upon the conversion thereof. No such issue or sale shall be effected if the same would not be permitted under sub-paragraph (a) of this Section 6.05.

(d) In case the Company shall offer, issue or sell any rights to subscribe for or options to purchase additional shares of Common Stock, such offer, issue or sale shall be deemed for the purpose of this Section 6.05 to be an issue or sale forthwith of the total maximum number of shares of Common Stock issuable or deliverable upon the exercise of all such rights or options. The consideration received for such Common Stock shall be deemed to be the sum of (i) the aggregate minimum consideration received or receivable by the Company for the granting of such rights or options plus (ii) the minimum amount of aggregate additional consideration payable to the Company upon the exercise of such rights or options. No such offer, issue or sale shall be made if the issue or sale of Common Stock deemed to have been thereby effected would not be permitted under sub-paragraph (a) of this Section 6.05.

(e) In case any right of conversion or right to subscribe or option referred to in the foregoing sub-paragraphs (c) and (d) shall terminate without exercise thereof, the conversion price shall forthwith be adjusted to eliminate the effect of the assumption required by the foregoing sub-paragraphs (c) and (d) that the shares issuable or deliverable upon exercise of such terminated right and option were so issued or delivered.

(f) In case of the issue for cash of additional shares of Common Stock or of securities or obligations convertible into additional shares of Common Stock, or of rights or options to purchase such Common Stock or convertible securities or obligations, the consideration received by the Company therefor shall be deemed to be the amount of cash received by the Company for such stock, convertible securities or obligations, rights or options, and no deductions need be made therefrom for reasonable commissions, discounts or expenses paid or incurred by the Company in connection with the issuance and sale of such stock, convertible securities or obligations, rights or options.

(g) In case of the issue for property (other than cash) of additional shares of Common Stock, or of securities or obligations convertible into additional shares of Common Stock, or of rights or options to purchase such Common Stock or convertible securities or obligations, the consideration received by the Com-