

contingent share delivery date, determined on the basis of a fraction, the numerator of which is one and the denominator of which is the total number of shares of ERVIN Common Stock as to which the holders thereof have elected (after giving effect to any adjustment provided for below in this paragraph (c)) the option provided by this subparagraph B.

As to any shares of ERVIN Common Stock as to which no election has been made, the holder thereof shall be deemed to have elected the option provided by subparagraph A above. Notwithstanding the foregoing, the ERVIN Stockholders shall receive, on the Effective Date of the Merger, in respect of their shares of ERVIN Common Stock outstanding immediately prior to the Effective Date of the Merger, an aggregate of exactly 487,805 shares of CYANAMID Common Stock (provided, that such number shall be reduced in respect of any shares of ERVIN Common Stock as to which the holders thereof shall have, on or prior to the Effective Date of the Merger, taken the required steps to perfect their right to dissent and demand appraisal for their shares as provided in Section 262 of the General Corporation Law of the State of Delaware). Accordingly, to the extent that the elections referred to above do not produce the result that an aggregate of exactly 487,805 shares of CYANAMID Common Stock (subject to reduction according to the proviso contained in the preceding sentence) shall be deliverable to the ERVIN Stockholders on the Effective Date of the Merger, then the elections of all ERVIN Stockholders shall be adjusted substantially pro rata so as to produce such result.

(d) As promptly as practicable after April 1 in each of the years 1971, 1972, 1973, 1974, and 1975 (or until either of the limitations provided in (ii) or (iii) below shall have been reached, whichever shall be sooner) CYANAMID shall issue to the Surviving Corporation, for delivery to the ERVIN Stockholders, additional shares of CYANAMID Common Stock as provided in this paragraph. For purposes of this calculation, "Cumulative Excess Earnings" shall be determined by subtracting from the Cumulative Net Earnings after taxes of the Surviving Corporation (determined as provided in subparagraph (g) below) for the period beginning April 1, 1970 and ending March 31 of the year in which the calculation is made an amount equal to \$1,146,888 multiplied by the number of Fiscal Years elapsed since March 31, 1970. The market value of shares of CYANAMID Common Stock to be delivered in respect of the first \$553,112 of Cumulative Excess Earnings shall be determined by multiplying \$3,750,000 by a fraction, the numerator of which is the Cumulative Excess Earnings to March 31 of the year in which the calculation is made (up to \$553,112) and the denominator of which is \$553,112. The market value of shares of CYANAMID Common Stock to be delivered in respect of Cumulative Excess Earnings from \$553,112 to \$1,603,112 shall be determined by multiplying \$3,750,000 by a fraction, the numerator of which is the Cumulative Excess Earnings (up to \$1,603,112) to March 31 of the year in which the calculation is made in excess of \$553,112 and the denominator of which is \$1,050,000. The market value of shares of CYANAMID Common Stock to be delivered in respect of Cumulative Excess Earnings from \$1,603,112 to \$3,153,112 shall be determined by multiplying \$3,750,000 by a fraction, the numerator of which is the Cumulative Excess Earnings (up to \$3,153,112) to March 31 of the year in which the calculation is made in excess of \$1,603,112 and the denominator of which is \$1,550,000. The market value of shares of CYANAMID Common Stock to be delivered in respect of Cumulative Excess Earnings from \$3,153,112 to \$5,603,112 shall be determined by multiplying \$3,750,000 by a fraction, the numerator of which is the Cumulative Excess Earnings (up to \$5,603,112) to March 31 of the year in which the calculation is made in excess of \$3,153,112 and the denominator of which is \$2,450,000. The market value of shares of CYANAMID Common Stock to be delivered in respect of Cumulative Net Earnings in excess of \$5,603,112 up to \$8,953,112 shall be determined by multiplying \$3,750,000 by a fraction, the numerator of which is the Cumulative Excess Earnings (up to \$8,953,112) to March 31 of the year in which the calculation is made in excess of \$5,603,112 and the denominator of which is \$3,350,000. In the case of any dividend or other distribution on shares of CYANAMID Common Stock the record or effective date for which falls on or after April 1 and prior to the date of actual delivery of the shares of CYANAMID Common Stock (if any) to be delivered pursuant to this § 2.04(d) in such year, the ERVIN Stockholders entitled to receive such shares of Common Stock shall be paid cash or