INTERNATIONAL LEAD ZINC RESEARCH ORGANIZATION, INC.

MINUTES

of the

1969 BUDGET MEETING OF THE BOARD OF DIRECTORS

November 4, 1968

In accordance with Section 4.02 of the By-Laws and notice of September 30, 1968, the 1969 budget meeting of the Board of Directors of International Lead Zinc Research Organization, Inc., a New York Membership Corporation, was held at the Engineers Club, 32 West 40th Street, New York, New York at 9:30 A.M. on November 4, 1968. The following directors were present in person:

James R. Alexander
C. Osborne Buchanan
Donald R. Carter
Herman D. Carus
H.M.D.F. Delhaise
John R. Englehorn
E.H. Gautschi
A.F.H. Ghysens
Thomas K. Graham
William G. Hewitt
R. James Hopkins
Frederick R. Jeffrey
John J. Lennon
J. Gordon McCullough
John W. Morgan
A. John Payne
Aime C. Pommerie
Giovanni Scacciati
J. Stuart Smart, Jr.
Ivor Thompson

being 20 of the 27 directors of the Corporation and constituting a quorum under Section 4.06 of the By-Laws.

Messrs. E. Alan Custer, Kenshi Kuwahara, Peter R. Mead and Hiroshi Sakurai were present as observers for Howard L. Young, Shimpei Omoto, James H. Standish, and Mitsuo Aikyo respectively. Also present by invitation were Samuel E. Eck, K. A. Phillips, past chairman of the zinc program review committee, and Schrade F. Radtke.

Mr. Smart acted as chairman of the meeting, and Mr. Eck served as secretary and kept the minutes.

Approval of Minutes

Upon motion duly made and seconded, it was unanimously:

RESOLVED, That the minutes of the Board of Directors meeting held on March 29, 1968 be and they are hereby approved as circulated.

Board Membership

The chairman announced the resignation, since the previous meeting, of Jean Vuillequez, Charles E. Schwab and A. Olaf Wolff from the Board of Directors and the appointments of John J. Lennon, William G. Hewitt and E. H. Gautschi to the Board in accordance with Section 3.07 of the By-Laws. He welcomed the new directors to the meeting, and also welcomed Mr. Pommerie who was in attendance for the first time since his recent election to the Board.

Treasurers Report

Mr. Alexander, treasurer, reported on the financial status of the Corporation as reflected in the "Report of the Treasurer for the Nine Months Ended September 30, 1968", previously distributed to the directors. In summation, he acknowledged the outstanding services of Margaret J. Carpenter in keeping the accounts of the Corporation.

Approval of Allocation Formula for Dues, Program Authorizations and Budgets, and Assessment Rates for Fiscal Year 1969

The 1969 research program, as proposed by the lead and zinc program review committees, and the 1969 allocation formula for dues and management and operations budget, as proposed by the executive committee, were presented to the meeting. Dr. Radtke reviewed the research programs and the chairman and treasurer reviewed the management and operations budget.

After discussion, reflecting the desirability of revising the assessment rates as presented due to readjustment of the estimated production of members, it was upon motion duly made and seconded unanimously:

RESOLVED, That the allocation formula for dues presented to the meeting, and attached hereto as Exhibit A, be and it hereby is adopted as the allocation formula for dues of the Corporation for the fiscal year commencing January 1, 1969.

FURTHER RESOLVED, That the zinc authorization of $936,905 presented to the meeting, comprised of $283,575 for management and operations, attached hereto as Exhibit B, and $653,330 for research projects (including $50,000 of undesignated research authorization), attached hereto as Exhibit C, be and it hereby is approved and adopted as the zinc authorization of the Corporation for the fiscal year commencing January 1, 1969.

FURTHER RESOLVED, That the estimated zinc budget of $879,515 presented to the meeting, comprised of $283,575 for management and operations (Exhibit B) and $595,940 for research projects (Exhibit C) be and it hereby is approved and adopted as the estimated zinc budget of the Corporation for the fiscal year commencing January 1, 1969.

FURTHER RESOLVED, That, under the 1969 allocation formula for dues, the zinc assessment rates be and they hereby are established at 36.60¢ (U.S.) per metric ton of slab zinc and 18.30¢ (U.S.) per metric ton of zinc oxide for the fiscal year commencing January 1, 1969.

FURTHER RESOLVED, That the lead authorization of $1,022,860 presented to the meeting, comprised of $299,575 for management and operations, attached hereto as Exhibit B, and $732,285 for research projects (including $75,000 of undesignated research authorization), attached hereto as Exhibit D, be and it hereby is approved and adopted as the lead authorization of the Corporation for the fiscal year commencing January 1, 1969.

FURTHER RESOLVED, That the estimated lead budget of $960,177 presented to the meeting, comprised of $299,575 for management and operations (Exhibit B), and $660,602 for research projects (Exhibit D), be and it hereby is approved and adopted as the estimated lead budget of the Corporation for the fiscal year commencing January 1, 1969.

FURTHER RESOLVED, That, under the 1969 allocation formula for dues, the lead assessment rate be and it hereby is established at 71.54¢ (U.S.) per metric ton of pig lead (inclusive of the assessment rate for environmental health research and management and operations) for the fiscal year commencing January 1, 1969.

Approval of Environmental Health Allocation Formula For Dues, Authorization and Budget, and Assessment Rate for Fiscal Year 1969

The chairman stated that it was in order to formalize the financial aspects of the environmental health program for the associate members - environmental health. The 1969 environmental health authorization and budget as proposed by the lead program review committee, and the supplementary allocation formula for dues for the environmental health program as proposed by the executive committee were presented to the meeting. Dr. Radtke briefly reviewed the environmental health projects, and the secretary reviewed the allocation formula and budget considerations.

After discussion, reflecting the desirability of revising the assessment rates due to readjustment of estimated production of members, it was upon motion duly made and seconded, unanimously:

> RESOLVED, That the allocation formula presented to the meeting, and attached hereto as Exhibit E, be and it hereby is approved and adopted as the supplementary allocation formula for dues for the environmental health program for the fiscal year commencing January 1, 1969.
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> FURTHER RESOLVED, That the environmental health authorization of $396,816 presented to the meeting, comprised of $103,455 for management and operations and $266,361 for research projects, attached hereto as Exhibit F, be and it hereby is approved and adopted as the environmental health authorization of the Corporation for the fiscal year commencing January 1, 1969.
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> FURTHER RESOLVED, That the estimated environmental health budget of $331,593 presented to the meeting, comprised of $103,455 for managements and operations and $228,138 for research projects (Exhibit F) be and it hereby is approved and adopted as the estimated environmental health budget of the Corporation for the fiscal year commencing January 1, 1969.
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> FURTHER RESOLVED, That, under the 1969 allocation formula for dues, the environmental health program assessment rate be and it hereby is established at 22.15¢ (U.S.) per metric ton of pig lead for the fiscal year commencing January 1, 1969.

Amendment of By-Laws Re Board and Membership Meetings

The chairman reviewed the actions of the membership in recommending that the By-Laws of the Corporation be revised in order to permit the annual meeting of members to be held in the fall of each year in conjunction with the budget meeting of the Board of Directors. He referred to the text of the revisions previously circulated to the directors and stated that the executive committee, at its meeting of October 27, 1968, had reviewed the revisions and recommended that Section 4.01 be altered by deletion of the phrase "within one week" and insertion in its place the phrase "as soon as reasonably convenient" in order to provide additional flexibility in scheduling the annual meeting of members and directors.

After discussion, upon motion duly made and seconded, it was unanimously:

RESOLVED, That the By-Laws of the Corporation be and they hereby are amended as follows:

Section 2.01 is amended to read as follows:

"2.01 Annual Meetings. The annual meeting of the members of the Corporation for the election of directors and for the transaction of such other business as may properly come before such meeting shall be held on such day in October, November or December or such other month as may be designated by the Board of Directors."

Section 4.01 is amended to read as follows:

"4.01 Annual Meetings. The annual meeting of the Board of Directors for the election of officers, the appointment of the Executive Committee, the adoption of a budget and assessment formula for the next fiscal year of the Corporation and the transaction of such other business as may properly come before such meeting shall be held as soon as reasonably convenient after the close of the annual meeting of members at such time and place (which may be anywhere in the world) as the President shall determine."

Section 4.02 is amended to read as follows:

"4.02 Other Regular Meetings. Other regular meetings of the Board of Directors for the transaction of such other business as may properly come before such meetings may be held at such times and places (which may be anywhere in the world) as the Board of Directors may determine."

Executive Committee Action

The chairman reviewed the action taken by the executive committee on behalf of the Board at its meetings of June 18 and October 27, 1968 and added that such action should be ratified by the Board.

After discussion, upon motion duly made and seconded, it was unanimously:

RESOLVED, That the actions taken by the executive committee at its meeting held on June 18, 1968, as reflected in the minutes of such meeting mailed to each director, and at its meeting held on

October 27, 1968, as verbally presented, be and each of them hereby is approved, ratified and confirmed.

Committee for Membership, Assessment and Procedural Matters

The chairman reviewed the membership's and directors' recommendations to establish a special committee for considering membership qualifications, assessment formula and procedural matters for the purpose of subsequently recommending changes necessary to meet the Corporation's objective of expanding its membership so that its purposes can be better served. He stated that in accordance with these recommendations he had appointed a committee with a representative from each geographic area in order to provide close liaison with the Corporation's membership throughout the world. He stated that Messrs. Ferdinand Bodson, Max I. Freeman, Frederick R. Jeffrey, Shimpei Omoto, James B. Shackel, and J.S. Smart, Jr., as an ex officio member, had agreed to serve with Mr. Jeffrey serving as chairman. He added that a representative from Canada was still to be appointed in view of the resignation of Mr. Wolff. He reported that a study was under way but that due to the complexity of such matters, the committee would not be in a position to recommend procedural changes which could become effective before 1970.

Mr. Pommerie spoke of the contribution of the Corporation to the mining industry, as well as the smelting industry, and stated that it was the view of European members that the mining industry should also be encouraged to support the Corporation. He urged that the committee give consideration to mining industry membership.

Zinc and Lead International Service

The chairman reported that the executive committee has continued to review activities concerning establishment of a zinc and lead international service and the Corporation's participation in such a service as requested by the Board of Directors at its annual meeting. He presented a status report, prepared by Mr. Burwood, on these activities which indicated that proposals for establishment and operation of the service have now been submitted to several market development associations for consideration, and that the Corporation would not be requested to contribute financially to the service but to contribute through its research and technical information and through the participation of the execuitve vice president and director of research on its council.

The chairman added that the executive committee would continue to follow developments on this matter and report its findings to the directors.

Dissemination of Research Information

In reference to questions on the mechanism of disseminating research information through the market development associations, the chairman reported that the executive committee was currently reviewing existing procedures in order to further enhance the effectiveness, through publication, of the Corporation's technical information.

1969 Annual Meeting

The chairman reported that Mr. Cantore, Administratore Delegato of Monteponi and Montevecchio, extended an invitation to the Corporation to have its 1969 annual meeting in Rome and offered the cooperation of the company in arranging the meeting. The Board expressed its appreciation to Mr. Cantore for his kind invitation and offer of assistance, and after discussion, upon motion duly made and seconded, it was unanimously:

RESOLVED, That the 1969 annual meeting of the Corporation be held in Rome, Italy in accordance with Section 2.01 of the By-Laws.

FURTHER RESOLVED, That the 1969 annual meeting of the Board of Directors be held in Rome, Italy following the annual meeting of members in accordance with Section 4.01 of the By-Laws.

Mr. Pommerie extended an invitation to representatives attending the meeting to visit the facilities of his company, and his invitation was warmly received by the directors.

It was agreed that a schedule of annual meetings for several years in advance be prepared for consideration at the next meeting.

Adjournment

There being no further business to come before the meeting, it was upon motion duly made and seconded, unanimously resolved to adjourn.

Samuel E. Eck
Secretary