May 8, 1962.

Mr. S. Ling,
Vice President & Managing Director,
Sherwin-Williams Company of Canada Ltd.
P.O. Box 489,
Montreal, P. Q.

Dear Sidney:

Attached is a rough draft of a letter which might be sent by the Carter White Lead Company to C.T.P., as discussed in our telephone conversation today.

The second paragraph, which I have bracketed, contains the specific wording suggested by National Lead Company Legal Department, with the intent of maintaining the validity of the agreement of August 31, 1949 and protecting the interests of the parties thereto.

The rest of the wording in the draft is my own, and proposes to set up the manufacture and sale of 45X on the same basis which is operating to our mutual satisfaction with respect to the lead stabilizers. Certainly, whatever basis of handling and remuneration is worked out for the remainder of the Carter products would be equally satisfactory to us for 45X, but it may well be that 45X should be the subject of a separate memorandum because of the existence of the old 1949 agreement.

Yours very truly,

MST:ed
Encl.

N 27429

NL 000041761

attached to letter May 8, 1962, Tipton to L.A.G.

DRAFT OF LETTER TO BE SENT BY THE CARTER WHITE LEAD COMPANY OF CANADA LIMITED

TO CANADIAN TITANIUM PIGMENTS LIMITED

This company is installing equipment for the manufacture of 45X (basic silicate white lead), one of the group of "ONCOR" pigments developed by National Lead Company. Production of this material is expected within the next few months, and it has been informally agreed that your company will sell this product in lieu of the same material previously imported from the U.S.A.

Upon the following terms and conditions the Carter White Lead Company of Canada Limited hereby appoints Canadian Titanium Pigments Limited, having its main office at 1401 McGill College Avenue, Montreal 2, P.Q. Canada, its sole sales agent for basic silicate white lead, manufactured by Carter, with the right to sell the same under the trademark 45X:

1. The basis for remuneration of the two parties will be that of an equal division of the margin between our manufacturing costs and the sales revenue in any period.

2. The figure to be used as "manufacturing cost" will initially be an estimate, revised from time to time in the light of operating experience.

3. The selling price and manufacturing cost for this product shall be subject to discussion and mutual agreement between the two parties.

4. At monthly intervals C.T.P. will report to Carter the revenue from sales of 45X, less the manufacturing cost for the quantity sold, calculated at the then current f.o.b. plant price. C.T.P. will remit to Carter 50% of the difference. Sales expense, outside warehousing and all distribution charges are for C.T.P.'s account.

....continued

If the foregoing is in accordance with your own understanding, we would appreciate your so acknowledging it to complete our mutual records.

May 4, 1962.