METAL

March 3rd, 1976

NL INDUSTRIES, INC.
1221 Avenue of the Americas,
NEW YORK CITY, New York, 10020
U.S.A.

THE CANADA METAL COMPANY LIMITED, (hereinafter referred to as "C.M.C."), hereby offers to NL INDUSTRIES, INC., (hereinafter referred to as "NL"), on the undermentioned terms and conditions, to purchase 2,000 of the fully paid and non-assessable common shares of THE CARTER WHITE LEAD COMPANY OF CANADA LIMITED, (hereinafter referred to as "C.W.L."), that is to say, one-half of all the outstanding fully paid and non-assessable common shares of C.W.L. at a price of $450,000.00, of lawful money of Canada at the Closing Time (hereinafter defined). The terms and conditions of this offer are as follows:

1. Prior to the Closing Time, NL shall have accepted this offer and shall have obtained the approval of its Directors or of the Executive Committee thereof, to that acceptance.

2. At the Closing Time, C.W.L. shall own all of the assets without encumbrance represented in its audited financial statements as at August 31, 1975, and all additions thereto since that date, less disposals in the ordinary course of business which are made known to and approved by C.M.C.

3. Between August 31, 1975 and the Closing Time, C.W.L. shall not have issued, committed itself to issue, or granted options to any person or corporation to acquire any additional shares of its capital stock nor altered its capital structure in any way, and the total number of its issued fully paid and non-assessable shares at the Closing Time shall be Four Thousand (4,000) common shares.

4. Between August 31, 1975 and the Closing Time, C.W.L. shall not have declared or paid any dividend nor made any other distribution to its shareholders of its funds or assets.

5. Between August 31, 1975 and the Closing Time, C.W.L. shall not have made any agreements, contracts, commitments or payments or incurred any liability other than in the ordinary course of business or in accordance with agreements, contracts, commitments or obligations outstanding as at August 31, 1975. Between August 31, 1975 and the Closing Time, C.W.L. shall not have permitted any encumbrance to be placed upon its assets or have disposed of or alienated any of its assets except in the ordinary course of business and as recorded in the books of the company.

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12/21/62 agreement CWL + CTP

45% lead litharge

6. The [redacted] and [redacted], t[redacted], a wholly-owned subsidiary of NL, [redacted]ing [redacted].

7. The [redacted], [redacted]ae, [redacted]e, [redacted], [redacted]. and [redacted], if any.

lead oxides only

8. [redacted], availability to new product developments for production in Canada and, in general, results of applied research [redacted] the [redacted], under terms and conditions to be mutually beneficial to both parties.

9. At the Closing Time, C.W.L. shall not be subject to or liable to any legal proceedings for any cause which might materially and adversely affect any of its assets.

10. At the Closing Time, C.W.L. shall have retained the service of those of its officers and employees who are essential for the continuation of the operation of its plant and business.

11. At the Closing Time, C.W.L. shall not be obligated to pay any bonus to any employee, officer or director other than that which was, in accordance with C.W.L.'s customary practice, paid during the year 1975 to its key personnel.

12. Between August 31, 1975 and the Closing Time the business and affairs of C.W.L. shall have been carried on consistently, prudently and in the ordinary course.

13. Prior to the Closing Time, the representatives of C.M.C. shall have been provided access to the books of account and financial records of C.W.L. so as to substantiate that the financial condition of C.W.L. and the ownership and condition of its real and personal property are the same as they have been represented to be by C.W.L. C.M.C. shall complete its examination prior to the 27th day of April, 1976, and on or before 12:00 o'clock noon, Montreal Time, on the 30th day of April, 1976, shall notify NL either that it is bound by the provisions of this offer or that the offer is withdrawn. If the offer is withdrawn, this instrument shall be void.

14. Prior to the Closing Time, NL shall provide C.M.C. with a true copy of C.W.L.'s letters patent and by-laws.

15. At the Closing Time, NL shall have caused C.W.L. to authori the transfer of 2,000 fully paid and non-assessable shares of C.W.L. presently registered to NL and its nominees, to the C.M.C. and its nominees.

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16. At the Closing Time, C.W.L. shall have complied with the requirements of any securities legislation of Canada, or any province of Canada, and of the United States of America or any state thereof, with respect to this offer and its acceptance insofar as such legislation applies to it.

17. At the Closing Time, NL shall provide C.M.C. with a certificate signed by NL's President and Secretary and by C.W.L.'s President and Secretary, with effect as at the Closing Time confirming that to the best of their knowledge, information and belief, all obligations, undertakings and commitments set out in paragraphs 1 to 16, inclusive, have been satisfied or complied with.

18. Prior to the Closing Time, C.M.C. shall submit application in the prescribed form to the Foreign Investment Review Agency of Canada, for approval or otherwise of this offer under terms of the Foreign Investment Review Act. NL shall and shall direct C.W.L. to fully co-operate with the C.M.C. in the prepartion and filing of this application, to the extent necessary. This offer is conditional on receiving approval of the Foreign Investment Review Agency and, in the absence of said approval, the offer is withdrawn and this instrument shall be void.

yet signed by NL on July 8, 1976

19. The expression "Closing Time" shall mean 11:00 o'clock in the forenoon (Montreal time) on the 31st day of May, 1976, or such earlier or later date as may have been previously agreed to in writing by NL and C.M.C. The transactions herein shall be completed at the offices of C.W.L., 1295 De Lorimier Avenue, Montreal, Quebec, or such other location as agreed, at the Closing Time.

20. If (i) NL accepts C.M.C.'s offer and (ii) the foregoing terms and conditions are complied with and (iii) there is no impediment to the transaction herein contemplated, then this instrument shall be a firm contract between NL and C.M.C. for the sale of the said 2,000 shares of C.W.L. for the said sum of $450,000.00, and in consideration thereof, C.M.C. and NL agree as follows:

(a) Forthwith after the Closing Time, NL shall obtain the resignation of such number of directors of the Board of C.W.L. as may be necessary to permit the election of C.M.C. nominees.

(b) C.M.C. shall, after the Closing Time, exercise its voting rights as shareholder of C.W.L. so as to establish a Board of Directors of C.W.L. consisting of the President of C.M.C. and an equal number of nominees of NL and of Cominco Ltd., and shall from time to time exercise its voting rights so as to elect such persons to the Board.

(c) C.M.C. shall, after the Closing Time, cause the by-laws of C.W.L. to be amended so as to provide that no vote shall be taken at any directors' meeting unless there is an equal number of the nominees of NL and Cominco Ltd. present at the meeting, save that the nominee or nominees of the party with the lesser number of directors present may waive this requirement.

21. Any notice, offer or acceptance of an offer required to be given hereunder to either NL or C.M.C. shall be given in writing and may be given either by delivering it personally to the President or Secretary of the party to whom it is to be given or by sending it by prepaid registered letter or prepaid telegram addressed as follows:

TO NL: NL Industries, Inc.,
1221 Avenue of the Americas,
New York, New York 10020
U.S.A.

TO C.M.C.: The Canada Metal Company Limited,
721 Eastern Avenue,
Toronto, Ontario.
M4M 1E6

or to such other address as either party may specify from time to time by notice in writing. When sent by registered letter, the notice or offer or acceptance of offer shall be deemed to have been made or given on the second day after the mailing of the letter and when sent by telegram shall be deemed to have been made or given on the day of the dispatch of the telegram.

22. Time shall be of the essence.

23. This offer and agreement and the transactions herein contemplated shall be governed and construed in accordance with the laws of the Province of Quebec.

24. If the foregoing is acceptable to you, would you please sign and return the duplicate copy of this letter and the offer, if accepted, shall ensue for the benefit of and be binding upon the parties hereto, their respective successors and assigns.

25. This offer and its acceptance is conditional upon the purchase by C.M.C. of all of the remaining issued shares of C.W.L. issued to The Sherwin-Williams Company of Canada Limited, by letter

Factories ■ TORONTO ■ MONTREAL ■ WINNIPEG ■ CALGARY ■ VANCOUVER

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of same date addressed to The Sherwin-Williams Company of Canada Limited.

Yours very truly,

THE CANADA METAL COMPANY LIMITED

President

Secretary

The foregoing offer and the terms and conditions thereof are hereby agreed to and accepted this 5th day of July, 1976.

NL INDUSTRIES, INC.

President

Secretary

NL 000039214

Factories ■ TORONTO ■ MONTREAL ■ WINNIPEG ■ CALGARY ■ VANCOUVER