

A G R E E M E N T

THIS AGREEMENT made and entered into as of the _____ day of _____, 196 , by and between NATIONAL LEAD COMPANY, a corporation of the State of New Jersey, having a place of business at 111 Broadway, New York, New York 10006, (hereinafter sometimes referred to as "NATIONAL") and THE SHERWIN-WILLIAMS COMPANY, a corporation of the State of _____, having a place of business at _____, (hereinafter sometimes referred to as "SHERWIN-WILLIAMS");

W I T N E S S E T H

WHEREAS, NATIONAL is possessed of considerable know-how and technical information concerning the production, testing, and use of basic lead-silica-chromate pigment (hereinafter sometimes referred to as "BLSC") which pigment is further defined and claimed in NATIONAL's U.S. Patent No. 2,688,122 granted February 2, 1954; and

WHEREAS, SHERWIN-WILLIAMS is interested in said know-how and technical information and desires that NATIONAL shall make the same available to SHERWIN-WILLIAMS, and NATIONAL in its turn is willing to make available to SHERWIN-WILLIAMS said know-how and technical information, on the terms set forth below;

NOW, THEREFORE, it is agreed as follows:

ARTICLE I

A. NATIONAL agrees to furnish to SHERWIN-WILLIAMS NATIONAL's know-how and technical information concerning the production, testing and use of BLSC for the purpose of enabling SHERWIN-WILLIAMS to manufacture BLSC, to incorporate same in paint compositions, and to sell said paint compositions to others.

B. Know-how and technical information as used herein shall include information, data, knowledge, techniques, process and equipment designs and methods of operation as may be required by SHERWIN-WILLIAMS for the purpose set forth in Paragraph A of this Article.

C. FURTHER NATIONAL agrees that commencing with SHERWIN-WILLIAMS' commercial production of BLSC and for a period of ten (10) years thereafter, it will make available to SHERWIN-WILLIAMS NATIONAL's future know-how and technical information concerning the production, testing and use of BLSC and will endeavor to assist SHERWIN-WILLIAMS as NATIONAL may be requested in the solution of future problems dealing with the production, testing and use of BLSC.

D. NATIONAL agrees to grant and does hereby grant to SHERWIN-WILLIAMS a non-exclusive license under U.S. Patent No. 2,668,122 to manufacture BLSC, to incorporate same in paint compositions, and to sell said paint compositions to others.

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E. It is mutually understood and agreed that SHERWIN-WILLIAMS, by virtue of the existence and operation of this agreement, does not have any license under any other patent, U.S. or foreign, belonging to NATIONAL or NATIONAL's subsidiaries, other than the specific license under U.S. Patent 2,668,122 as set forth in Paragraph D of this Article.

ARTICLE II

A. In consideration of the receipt of know-how and technical information and of the grant of license under NATIONAL's Patent No. 2,668,122 as set forth in Paragraphs A and D respectively of Article I above, SHERWIN-WILLIAMS, upon execution of this agreement by both parties, will make an advance payment to NATIONAL in amount of fifty thousand (\$50,000) dollars, which amount shall be credited against those sums of money as may be due NATIONAL as provided for in Paragraph B of this Article II.

B. In consideration of the continuing services to be made available by NATIONAL as contemplated in Paragraph C of Article I above, SHERWIN-WILLIAMS agrees that, commencing with its commercial production of BLSC and continuing for a period of ten (10) years thereafter, it will pay to NATIONAL as hereinafter specified an amount being a percentage of NATIONAL's sales price as follows:

1. ten percent of sales price for the first 2500 tons of BLSC produced by SHERWIN-WILLIAMS in any one year;
2. nine percent of sales price for the second 2500 tons of BLSC produced by SHERWIN-WILLIAMS in any one year;
3. eight percent of sales price for all BLSC over 5000 tons produced by SHERWIN-WILLIAMS in any one year.

C. The term "sales price" shall mean that published carload sales price of NATIONAL for BLSC as is in effect at the beginning of any quarterly period in which payment is due by SHERWIN-WILLIAMS as hereinafter provided.

ARTICLE III

NATIONAL agrees that, when requested by SHERWIN-WILLIAMS, it will send to SHERWIN-WILLIAMS' installation site or to other mutually designated places qualified technicians to assist SHERWIN-WILLIAMS as contemplated, and SHERWIN-WILLIAMS agrees to reimburse NATIONAL at the rate of one-hundred (\$100.00) dollars per day plus reasonable traveling and sustenance expenses for each technician sent.

ARTICLE IV

Within sixty (60) days after the first day of January, April, July and October of each year up to and including the first day of any such month following the termination or expiration of this agreement, SHERWIN-WILLIAMS shall render a written report to NATIONAL showing, for the preceding quarter calendar year, the

amount of all BLSC produced by SHERWIN-WILLIAMS hereunder, the amount due to NATIONAL and the basis on which it was determined, or (if such be the case) that no payment is due. Each such report shall be accompanied by the payment thereby shown to be due for such quarter calendar year.

ARTICLE V

Accounting and Examination of Books

SHERWIN-WILLIAMS shall keep correct and complete records and books of account containing all information required for the computation and verification of the sums to be paid hereunder, SHERWIN-WILLIAMS agrees, at the request of NATIONAL, to permit an independent public accountant selected by NATIONAL (except one to whom SHERWIN-WILLIAMS has some reasonable objection) to have access, during ordinary business hours, to such reports as may be necessary (1) to determine in respect of any quarter calendar year ending not more than two (2) years prior to the date of such request the correctness of any report and/or payment made under this agreement, or (2) to obtain information as to the amounts payable for any such period in case of failure of SHERWIN-WILLIAMS to report and/or pay pursuant to the terms of this agreement. The determination of such accountant shall be final and binding upon the parties hereto. Such accountant shall not disclose to NATIONAL any information relating to the business of SHERWIN-WILLIAMS except that which should properly have been contained in any report required hereunder.

ARTICLE VI

Agreement of Confidentiality

SHERWIN-WILLIAMS agrees that it shall use its best efforts to maintain in confidence the know-how and technical information furnished to it by NATIONAL and shall not disclose such know-how and technical information to third parties without the written consent of NATIONAL. It is understood that SHERWIN-WILLIAMS is excused from the above obligation with respect to any information which shall have become a part of the public domain.

ARTICLE VII

Duration

This agreement shall remain in full force and effect for a period of ten (10) years from the day SHERWIN-WILLIAMS commences commercial production of BLSC.

ARTICLE VIII

Waiver

The waiver of any breach of this agreement by either party hereto shall in no event constitute a waiver as to any future breach, whether similar or dissimilar in nature.

ARTICLE IX
Notices

Any notice required or permitted to be given or made under this agreement by one of the parties to the other shall be deemed to have sufficiently given or made for all purposes if mailed, by registered mail, postage prepaid, addressed to such party at its address indicated at the beginning of this agreement, or to such other address as the addressee shall have theretofore furnished in writing to the addressor.

ARTICLE X
Construction

This agreement shall be construed, and the respective rights of the parties hereto determined, according to the law of the State of New York.

ARTICLE XI
Assignment

Either party may assign this agreement to any of its subsidiaries, or to the successor or assignee of all, or substantially all, of its business and assets. Neither party may assign this agreement otherwise without the other party's written consent. When duly assigned in accordance herewith, this agreement shall be binding upon and enure to the benefit of the assignee.

IN WITNESS WHEREOF, the parties hereto have caused their corporate names to be subscribed by their duly authorized officers and their corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

NATIONAL LEAD COMPANY

BY: _____
Vice President

ATTEST:

THE SHERWIN-WILLIAMS COMPANY

BY: _____
Vice President

ATTEST:
