TRW Inc.

Executive Offices
1900 Richmond Road
Cleveland, OH 44124-3760

VIA AIRBORNE EXPRESS

October 4, 2002

Henry Webb
Assistant Regional Counsel
United States Environmental Protection Agency, Region 4
Sam Nunn Atlanta Federal Center
EAD, 13th Floor
61 Forsyth Street SW
Atlanta, GA 30303

RE: Mills Gap Road Superfund Site
Asheville, Buncombe County, North Carolina

Dear Mr. Webb:

I write on behalf of TRW Inc. ("TRW") in response to U.S. EPA's information request to Mr. William B. Lawrence of TRW dated September 4, 2002, concerning the Mills Gap Road Superfund Site (the "Site"). As we discussed by telephone on Tuesday, September 17, 2002, you granted TRW an extension until October 4, 2002 to respond to this information request.

EPA Requests and TRW's Responses

a. *State whether TRW Inc. is currently or has at any other time been a corporate successor to IRC.*

TRW objects to this request to the extent it calls for a legal conclusion. Without waiving that objection, TRW notes that IRC, Inc. ("IRC") was merged into TRW pursuant to an Agreement of Merger dated November 28, 1967. *See* TRW-MGR-0011 through TRW-MGR-0070. The merger closed on February 19, 1968. *See* TRW-MGR-0430 through TRW-MGR-0431. TRW was the surviving corporation. *See* TRW-MGR-0011 and TRW-MGR-0014 (Effect of Merger).

The IRC business became part of TRW's Resistive Products Division, which was formed in 1968 upon TRW's acquisition of IRC. In 1986, TRW sold the assets of its Resistive Products Division to Crystalate Holdings plc ("Crystalate") pursuant to an Agreement of Purchase and Sale dated October 14, 1986. *See* TRW-MGR-0737 through TRW-MGR-0797. To the best of our information and belief, documents related to the business were transferred to Crystalate. TRW is also unaware of any current TRW employees who worked in its former Resistive Products Division.

b. *State whether TRW Inc. is responsible for the liabilities, including the environmental and natural resource liabilities, of IRC during the period from 1952 until 1959 and if not, why not.*

TRW objects to this request to the extent it calls for a legal conclusion. TRW further objects to this request to the extent it requests information not related to the Site. Without waiving these

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U.S. EPA REGION IV

SDMS

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V. 2-040506

objections, TRW notes that properties owned or leased by IRC at the time of the merger with TRW are listed in Schedule III to the Agreement of Merger. *See* TRW-MGR-0798 through TRW-MGR-0803 (Schedule of Real Properties Owned and Leased by IRC and Subsidiaries); *see also* TRW-MGR-0578 through TRW-MGR-0644, 0616 (IRC, Inc. Notice of Special Meeting of Stockholders dated January 30, 1968). The only property in North Carolina listed on Schedule III was a manufacturing facility located in Boone, Wautauga County, North Carolina. *See id.* There was no reference to any property in Buncombe County, North Carolina. Furthermore, TRW has not located information in its possession, custody or control regarding any property in Buncombe County allegedly owned or operated by IRC or TRW. As such, TRW has no knowledge or information regarding: (1) operations at the Site; or (2) any disposition of the Site by IRC (assuming IRC did own the Site) and whether IRC retained any liability for conditions at Site

c. *Provide copies of all documentation in way [sic] relating to the purchase, merger or other transaction by which TRW Inc. acquired an interest in IRC.*

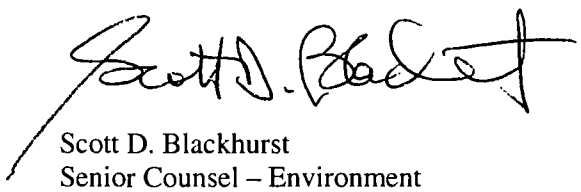
As noted above, to the best of our information and belief, documents related to the former IRC business were transferred to Crystalate when TRW sold its Resistive Products Division 16 years ago. TRW does have copies of documents (TRW-MGR-0001-0803) related to the acquisition of IRC and the sale of the Resistive Products Division. (*See* Attachment A for a description of the documents produced by TRW.)

Conclusion

TRW has attempted to fully and diligently respond to this information request by searching appropriate subject matter files in its possession, custody or control, but we reserve our right to supplement this response if additional information comes to light.

Please call if you have any questions.

Very truly yours,



Scott D. Blackhurst
Senior Counsel – Environment
(216) 291-7359 (phone)
(216) 291-7874 (fax)
scott.blackhurst@trw.com

Enclosures

MILLS GAP ROAD SUPERFUND SITE
CERCLA 104(e) REQUEST FOR INFORMATION

Documents Produced by TRW Inc.
October 4, 2002

BATES RANGE	DESCRIPTION
TRW-MGR-0001-0441	TRW/IRC Merger Bible (Book 1 of 2)
TRW-MGR-0442-0736	TRW/IRC Merger Bible (Book 2 of 2)
TRW-MGR-0737-0797	Agreement of Purchase and Sale between Crystalate Holdings plc and TRW Inc., TRW Electronics Supply Co., and TRW Resistive Products, Inc., dated Oct. 14, 1986
TRW-MGR-0798-0803	Schedule III to Agreement of Merger between TRW Inc. and IRC, Inc., dated Nov. 28, 1967, entitled: *Schedule of Real Properties Owned and Leased by IRC and Subsidiaries*

ATTACHMENT A

SHEEVES 016-070(1)

TRW/IRC
Merger of IRC into TRW Inc.
Book 1 of 2

TRW INC. - CLRC

FILE RECEIVED IN CLRC FROM: _____

DATE: 6-17-77

CLASSIFICATION

I. Title: Merger of IRC into TRW Inc.
Book 1 of 2

II. Category of Classification

Subsidiary: Active & Passive Components
TRW Resistor Division, TRW/IRC

Non-Affiliated: _____

Subject: _____

Foreign: _____

Printed: _____

III. Catalog

Cross-Reference: _____

_____

Retention: _____

Comments: _____

IV. Classification: .. - 016 - 070 - ... (001)

V. Filed by: Anna Zuirk

Date: 6-20-77

TRW-MGR-0001

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1. Letter of Intent dtd. 6 October 1967.

2. Agreement of Merger dtd. 28 November 1967.

3. Amendment to Agreement of Merger dtd. 27 December 1967.

4. Letter transmitting following documents on 11 December 1967 by Jones, Day, Cockley & Reavis:

4A. Executed copy of letter dtd. 28 November 1967 from IRC to TRW re The Robinson-Halpern Matter.

4B. Executed copy of letter dtd. 28 November 1967 from IRC to TRW re Lehman Brothers.

4C. Executed Agreement of 28 November 1967 between Edward S. Weyl and TRW (Consulting Contract)

4D. Executed Agreement of 28 November 1967 between Wilson H. Oelkers and TRW (Employment Contract)

4E. Executed copy of Letter Agreement of 28 November 1967 between TRW and stockholders of "Charles Weyl Group".

4F. Copy of letter dtd. 11 December 1967 to Mr. Stanton of Messrs.Drinker, Biddle & Reath re 4E. above.

4G. Letters of Agreement of 28 November 1967 between TRW and stockholders of "Directorate Group"

(1) Executed by George I. Back.

(2) Executed by Stanley R. Klion.

(3) Executed by Daumant Kusma.

(4) Executed by Jesse and Rosalind F. Marsten.

(5) Executed by Don Mitchell.

(6) Executed by Wilson H. Oelkers.

(7) Executed by Walter H. and Dorothy M. Powell.

(8) Executed by the Weyl Family.

(9) Executed by William J. Wiley.

(10) Executed by Alfred H. Williams.

4H. Signed construction letter dtd. 11 December 1967 from Jones, Day, Cockley & Reavis to Messrs. White & Williams.

4I. Agreement of Merger dtd. 28 November 1967. (See Supplement II - Schedules to IRC Agreement of Merger)

5. Opinion of Jones, Day, Cockley & Reavis dtd. 10 November 1967 re Antitrust Laws.

6. Letter of Jones, Day, Cockley & Reavis dtd. 22 December 1967 to Antitrust Division (See Supplement I for enclosures referred to)

7. Letter of White & Williams to SEC dtd. 22 November 1967 re Proxy Statement.

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8. Letter from J. S. Webb to IRC dtd. 28 November 1967
re Arthur H. Richland Company.

9. Memorandum re Negotiations discussing Arthur H. Richland Company.

10. J. S. Webb's letter to IRC dtd. 28 November 1967
re Employee Fringe Benefits.

11. Letter by P. W. Schuette to IRC dtd. 3 January 1968
re written material re TRW and United-Carr and their subsidiaries
furnished by P. W. Schuette to IRC.

12. Letters from Jones,Day, Cockley & Reavis to J. S. Webb and
from J. S. Webb to IRC dtd. 11 December 1967
re IRC - CTS.

13. Letter by IRC dtd. 15 December 1967
enclosing various IRC-CTS documents.

14. Letter from Ernst & Ernst to TRW dtd. 2 January 1968
re "Pro Forma Income and Per Share Data".

15. Letter by Jones, Day, Cockley & Reavis to New York Stock Exchange
dtd. 19 January 1968
re listing of $4.40 Convertible Preference Stock and Common Stock
of TRW.

16. Supplemental letter to Stockholders by IRC dtd. 23 January 1968.

17. Audit Report of Peat, Marwick, Mitchell & Co. dtd. 26 January 1968.

18. See SEC file for SEC File No. 1-2384 Form 8-A (See Listing Appli. A-12)
Application for Registration dtd. 7 February 1968.

19. See SEC file for SEC File No. 1-2384 Form 8
Amendment No. 1 to Application for Registration dtd. 7 February
1968.

20. Memorandum from J. D. Wright dtd. 20 February 1968
re Jack Reavis.

21. Application to State of California for permit to
sell and issue securities. TRW-MGR-0003

22. Letter from E. E. Ford to IRC dtd. 8 February 1968
Equalizing Letter.

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23. Letter from Jones, Day, Cockley & Reavis to P. W. Schuette dtd. 3/1/68, attaching the following material incident to Closing of Merger:

A. Letter from P. W. Schuette to JDC&R dtd. 19 February 1968 respecting various resolutions theretofore adopted by the Board of Directors of TRW.

B. Good standing certificates received by IRC from all States in which IRC and Holyoke were qualified at the time of the Closing, except for the State of Massachusetts as to Holyoke, to wit:

California	Massachusetts
Delaware	New York
Florida	North Carolina
Illinois	Pennsylvania
Iowa	

C. Tax certificates received from all States in which IRC and Holyoke were qualified at the time of the Closing to the extent that the certificates enumerated in Item 2 above were not sufficient for this purpose, except for the State of New York as to IRC, to wit:

California	New York
Iowa	North Carolina
Massachusetts	Pennsylvania

D. Telegrams received by IRC indicating that IRC and Holyoke were still in good standing as of the close of business 16 February 1968 in all of the States in which IRC and Holyoke were qualified, except for the State of Massachusetts as to Holyoke, to wit:

California	Massachusetts
Delaware	New York
Florida	North Carolina
Illinois	Pennsylvania
Iowa	

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E. Certificate and confirmatory telegram from the Secretary of State of Ohio as to the good standing of TRW.

F. Certified resolutions adopted by the Board of Directors and by the stockholders of IRC incident to the merger.

G. Certified resolutions adopted by the Board of Directors of TRW incident to the merger.

H. TRW Officers' Certificate executed by E. E. Ford and P. W. Schuette pursuant to Article XIV(k) of the Agreement of Merger dated 28 November 1967 ("The Agreement").

I. IRC Officers' Certificate executed by Wilson H. Oelkers and Barry R. Spiegel pursuant to Article XV(l) of the Agreement.

J. Opinion letter dated 19 February 1968 from Jones, Day, Cockley & Reavis to TRW pursuant to Article XV(f) of the Agreement.

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23. Contd.

K. Opinion letter dated 19 February 1968 from E. E. Ford to TRW pursuant to Article XV(g) of the Agreement.

L. Opinion letter dated 19 February 1968 from E. E. Ford to IRC pursuant to Article XIV(d) of the Agreement.

M. Opinion letter dated 19 February 1968 from White & Williams ("W&W") to IRC pursuant to Article XIV(e) of the Agreement.

N. Opinion letter dated 19 February 1968 from W&W to TRW pursuant to Article XV(h) of the Agreement.

O. Opinion letter dated 16 February 1968 from W&W to E.E.Ford respecting the lease of 401 North Broad Street.

P. Telegrams sent to the New York Stock Exchange and the Pacific Coast Stock Exchange confirming that the merger had become effective.

Q. Letter dated 19 February 1968 from P. W. Schuette to The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York instructing them as to the exchange of IRC shares for TRW shares.

R. Letter dated 19 February 1968 from P. W. Schuette to The Cleveland Trust Company and Bankers Trust Company instructing them as to the registration of certificates for TRW Common and Series 1 Preference Stock.

S. Letter dated 19 February 1968 from P. W. Schuette to The Chase Manhattan Bank instructing them as to the registration of certificates for TRW Common Stock.

T. Opinion letter dated 19 February 1968 from JDC&R to the five banks acting as Transfer Agents and Registrars for TRW.

U. Letter mailed by The Corporation Trust Company on behalf of TRW to the former stockholders of IRC with an attached Letter of Transmittal and Order Form.

24. Application for Curative Permit dtd. 14 March 1968 and related correspondence. (Xerox copy in United-Carr Bible)

25. Two memoranda from J. M. Lee to P. W. Schuette dated 12/4/67 re Closing Documents.

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26. Listing Application to New York Stock Exchange.

27. Application for Exemption from Dealer Registration in New York.

28. Letter from SEC to White & Williams dtd. 14 December 1967 re Proxy Material.

29. Correspondence re White & Williams Transmittal letter to SEC dtd. 22 November 1967.

30. Letter from IRC to Jones, Day, Cockley & Reavis dtd. 21 February 1967 re Stock Certificates.

31. Permit of State of California authorizing the sale and issuance of securities, dated 3/27/68.

C O N T E N T S

32. Opinion letter of 8/15/68 of JDC&R.

33. Original Short Certificates from the Recorder of Deeds for New Castle County, Delaware

34. Delaware franchise tax receipt for IRC.

35. Letter dated 12/11/67 from J. S. Webb to IRC re Chicago Telephone Supply Corporation.

36. Letter of 2//9/68 from JDC&R to White & Williams confirming filing of TRW Amended Articles with Secretary of State of Ohio.

37. Letter of 2/9/68 from JDC&R to Boyd, McCrellish & Weeks confirming filing of TRW Amended Articles with Secretary of State of Ohio.

38. Novation Agreement of 2/19/68.

TRW

OFFICE OF THE PRESIDENT

October 6, 1967

PERSONAL AND CONFIDENTIAL

Mr. Edward S. Weyl
Chairman of the Board
IRC, INC.
401 North Broad Street
Philadelphia, Pennsylvania 19108

Dear Mr. Weyl:

This will confirm our understanding with you that we are prepared to proceed immediately with you to negotiate and draft, for prompt submission to the Directors of our respective companies and to the stockholders of your company, an agreement between our companies for our acquisition of your business and assets in exchange for a new series of existing Serial Preference Stock II (hereinafter called "Preference Stock") and for TRW Common Stock in a manner which will qualify as a tax free reorganization under the Internal Revenue Code. As you will appreciate, a legal and accounting review by us of your business and the proposed transaction necessarily will have to precede such a submission.

In exchange for the business and assets of IRC, TRW would issue to IRC with respect to each share of IRC Common Stock outstanding at the closing 1/4 of one share of Preference Stock and 1/3 of one share of Common Stock. In addition, the definitive agreement would provide for the liabilities of IRC to be assumed by TRW.

The Preference Stock will pay a cumulative dividend of $4.40 per share per annum and will be convertible into the Common Stock of TRW. The conversion price for such Common Stock will be $ 90.91 per share, and the number of shares of Common Stock issuable upon conversion of one share of Preference Stock shall be determined by dividing $100 by the conversion

price. Provision would be made for appropriate antidilution adjustments. The Preference Stock would be non-callable for five years after issuance, and thereafter would be redeemable at the redemption prices set forth on attached Schedule A. The voluntary liquidation value of each share of Preference Stock would be $105 for the first five years and thereafter would be the redemption price.

We would expect to make appropriate applications to list the Preference Stock on the New York Stock Exchange and to list the shares of TRW Common Stock to be issued as of the closing or upon conversion of the Preference Stock on at least that Exchange.

Each share of Preference Stock has one vote on matters submitted to shareholders, in addition to the right to vote separately as a class with respect to the authorization of any prior or pari passu class of preference stock in the future and the right to elect separately as a class three additional Directors in the event that six successive quarterly dividends are passed.

In the definitive agreement we would provide for the substitution of TRW shares under all of your employee stock options which are now outstanding and which are unexercised at the time of the closing. It is our understanding that the total number of shares of IRC now outstanding is approximately 1,608,000 shares of common stock and that there is no commitment or arrangement to sell or issue any additional shares of common stock or other stock or securities except pursuant to the now existing employee stock options which cover approximately 33,600 shares of common stock.

Naturally, TRW would want to enter into a five-year consulting agreement with you and a five-year employment agreement with Mr. Oelkers on mutually satisfactory terms.

Concerning the fringe benefits now offered by IRC to its employees, TRW would, to the extent possible, continue such fringe benefits. If changes are required, the total package of fringe benefits made available by TRW to the employees

of IRC would be as good or better than the total package of fringe benefits presently available.

Please sign and return the enclosed copy of this letter, thereby evidencing our mutual intent to proceed immediately in accordance with the foregoing.

Very truly yours,

TRW INC.

By H A Shepard
H. A. Shepard, President

APPROVED and accepted this
10th day of October, 1967

IRC, INC.

By Edward S Weyl
Edward S. Weyl, Chairman of the Board

SCHEDULE A

During the 6th year after issuance	$105.00
During the 7th year after issuance	104.50
During the 8th year after issuance	104.00
During the 9th year after issuance	103.50
During the 10th year after issuance	103.00
During the 11th year after issuance	102.50
During the 12th year after issuance	102.00
During the 13th year after issuance	101.50
During the 14th year after issuance	101.00
During the 15th year after issuance	100.50
During the 16th year after issuance and thereafter	100.00

AGREEMENT OF MERGER

AGREEMENT OF MERGER dated November 28, 1967 ("this Agreement") by and between TRW Inc., an Ohio corporation of 23555 Euclid Avenue, Euclid, Ohio 44117 ("TRW"), and IRC, Inc., a Delaware corporation of 401 North Broad Street, Philadelphia, Pennsylvania 19108 ("IRC");

WITNESSETH:

WHEREAS, TRW is authorized to have outstanding 23,811,908 shares, consisting of (i) 61,908 shares of 4% Cumulative Preferred Stock, par value $100 per share ("Cumulative Preferred Stock"), of which 61,908 shares were issued and outstanding on September 30, 1967; (ii) 750,000 shares of Serial Preference Stock, without par value ("Preference Stock"), of which 355,931 shares designated as $4.25 Cumulative Preference Stock, Series A, Convertible on or before June 15, 1979, were issued and outstanding on September 30, 1967 and 85,003 shares designated as $5.00 Cumulative Preference Stock, Series B, Convertible on or before June 15, 1982, were then issued and outstanding; (iii) 3,000,000 shares of Serial Preference Stock II, without par value ("Preference Stock II"), of which no shares were issued or outstanding on September 30, 1967; and (iv) 20,000,000 shares of Common Stock, par value $2.50 per share ("Common Stock"), of which 9,947,808 shares were issued and outstanding on September 30, 1967;

WHEREAS, IRC is authorized to have outstanding 2,500,000 shares of Common Stock, par value $0.10 per share ("IRC Common"), of which as at October 6, 1967 1,606,775 shares were issued and outstanding, 1,000 shares were held in its treasury, and 892,225 shares were authorized but unissued, of which 32,765 shares were reserved for issuance upon the exercise of outstanding stock options;

WHEREAS, the Boards of Directors of TRW and IRC (such corporations being herein sometimes called the "Constituent Corporations") have deemed it advisable for the mutual benefit of the Constituent Corporations and their respective shareholders that IRC be merged into TRW upon the terms and conditions hereinafter set forth; and

WHEREAS, the Board of Directors of each Constituent Corporation has approved and adopted this Agreement;

NOW, THEREFORE, in accordance with the laws of Ohio and Delaware, TRW and IRC have agreed and do hereby agree that, subject to the conditions hereinafter set forth, IRC shall be merged into TRW and TRW shall be the surviving corporation (herein sometimes called the "Corporation"), and that the terms and conditions of such merger shall be as follows:

ARTICLE I: NAME; AMENDED ARTICLES OF INCORPORATION

1.1 The name of the Corporation will be TRW Inc.

1.2 At the time the merger becomes effective, the "articles" of the Corporation as defined in division (D) of section 1701.01 of the Ohio Revised Code shall, until further amended in accordance with the law, consist of the provisions of this Agreement, including all of the provisions of the articles (as so defined) of TRW immediately prior thereto without change. Such TRW articles will be, subject to the provisions of Section 18.1 below, as set forth in the Amended Articles of Incorporation attached hereto as Exhibit A and hereby made a part hereof. It is contemplated, but not required, that following the time the merger becomes effective, the Corporation will take such action as is then permitted under the Ohio Revised Code to have such Amended Articles of Incorporation, subject as aforesaid (herein sometimes called "the amended articles"), constitute the articles of the Corporation as so defined.

ARTICLE II: REGULATIONS

The regulations of TRW immediately prior to the time the merger becomes effective are hereby adopted without change as the regulations of the Corporation and shall continue to be its regulations until amended in accordance with the law.

ARTICLE III: STATED CAPITAL

The amount of stated capital immediately prior to the time the merger becomes effective of each class of shares of TRW then outstanding, other than Preference Stock II (if any) and Common Stock, shall be the amount of stated capital at the time the merger becomes effective of such class of shares of the Corporation then outstanding. The amount of stated capital immediately prior to the time the merger becomes effective of Preference Stock II then outstanding (if any) plus $2.75 for each share of such class issued in the merger as provided in Section 7.1 shall be the amount of stated capital at the time the merger becomes effective of such class of shares of the Corporation then outstanding. The amount of stated capital immediately prior to the time the merger becomes effective of Common Stock then outstanding plus $2.50 for each share of such class issued in the merger as provided in Section 7.1 shall be the amount of stated capital at the time the merger becomes effective of such class of shares of the Corporation then outstanding.

ARTICLE IV: EARNED SURPLUS

The assets and liabilities of the Constituent Corporations shall be recorded on the books of the Corporation at the amounts at which they are stated on the books of the Constituent Corporations at the time the merger becomes effective. The excess of the assets of the Corporation, as the surviving corporation, taken at their fair value to the Corporation, over the sum of its liabilities, including liabilities derived from the Constituent Corporations or resulting from the merger, and stated capital, is at least equal to the combined earned surplus of the Constituent Corporations. The earned surplus of the Constituent Corporations shall constitute earned surplus of the Corporation.

ARTICLE V: DIRECTORS AND OFFICERS

The names and addresses of the first directors and officers of the Corporation at the time the merger becomes effective are, subject to the provisions of Section 18.1 below, as set forth in Exhibit B, entitled "First Directors and Officers of the Corporation", attached hereto and hereby made a part hereof, each of which directors holds such office at the time of adoption of this Agreement by the Board of Directors of TRW. If, prior to the time the merger becomes effective, any of the persons named in such Exhibit B as the first directors shall be unable or unwilling to serve as a director of the Corporation, the Board of Directors of the Corporation may fill such vacancy to the extent permitted by law.

ARTICLE VI: SERVICE OF PROCESS

P. W. Schuette, whose address is 23555 Euclid Avenue, Euclid, Cuyahoga County, Ohio 44117, hereby is appointed as the person upon whom any process, notice or demand against either Constituent Corporation or the Corporation may be served. The Corporation hereby agrees it may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of IRC, as well as for enforcement of any obligation of the Corporation arising from the merger, including any suit or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of Section 262 of the General Corporation Law of the State of Delaware, and hereby irrevocably appoints the Secretary of State of the State of Delaware as its agent to accept service of process in any such suit or other proceedings. The address to which a copy of such process may be mailed by such Secretary of State is TRW Inc., 23555 Euclid Avenue, Euclid, Ohio 44117 (Attention: Secretary).

ARTICLE VII: CHANGE OF SHARES

7.1 At the time the merger becomes effective, each share of IRC Common outstanding immediately prior to such time shall be changed into and become one-third of one share of Common Stock plus one-fourth of one share of the series of Serial Preference Stock II of the Corporation designated in Article Fourth of the amended articles as Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("Series 1 Preference Stock"); provided, however, that (a) any shares of IRC Common owned by TRW or IRC at the time the merger becomes effective shall not be so changed but shall be cancelled and (b) the Corporation shall not issue any certificates for fractional shares of Common Stock or Series 1 Preference Stock, but in lieu thereof the Corporation will make cash payments (without interest) for such fractions on the basis

TRW-MGR-0012

of $82.50 for a full share of Common Stock and on the basis of $100 for a full share of Series 1 Preference Stock. Notwithstanding the preceding sentence, however, if the time the merger becomes effective shall occur otherwise than on the day on which the proposed merger of United-Carr Incorporated into TRW shall become effective or otherwise than on the 16th day of any March, June, September or December subsequent to the day on which such proposed merger becomes effective, then at the time the merger becomes effective each share of IRC Common outstanding immediately prior to such time shall be changed into and become one-third of one share of Common Stock plus one-fourth of one share of the series of Serial Preference Stock II of the Corporation designated in such Article Fourth as Cumulative Serial Preference Stock II, $4.40 Convertible Series 2 ("Series 2 Preference Stock") and the phrase "Series 1 Preference Stock" where appearing in this Agreement (other than in this Section 7.1 (except for the proviso to the first sentence of this Section 7.1) and in the amended articles) shall be deemed to read "Series 2 Preference Stock". If, pursuant to the preceding sentence, the Corporation shall issue Series 2 Preference Stock pursuant to this Agreement and if the proposed merger of United-Carr Incorporated into TRW shall occur either before or after the time the merger becomes effective, then the Corporation shall, at its next annual or special meeting of shareholders held more than ninety days after the time when the later of such mergers becomes effective, submit to its shareholders, recommend the approval of and use its best efforts to cause to be approved a proposal to amend its then effective Amended Articles of Incorporation so as to cause each share of Series 2 Preference Stock outstanding at the time such amendment becomes effective to be changed into and become one share of Series 1 Preference Stock; and, upon such amendment, the then existing obligations of the Corporation, if any, to issue Series 2 Preference Stock upon the exercise of stock options referred to in Section 7.3 below shall be changed into and become obligations to issue Series 1 Preference Stock.

7.2 From and after the time the merger becomes effective, the holders of certificates for IRC Common shall cease to have any rights with respect to such stock (except such rights, if any, as they may have as dissenting shareholders), and (except as aforesaid) their sole rights shall be those to which they are entitled as owners of Common Stock and Series 1 Preference Stock into which their IRC Common shall have been changed by the merger, together with the right to receive cash in lieu of fractional shares of Common Stock and Series 1 Preference Stock as provided in Section 7.1. After the time the merger becomes effective, each holder of an outstanding certificate or certificates theretofore representing IRC Common shall be entitled, upon surrender of the same to the Corporation (duly endorsed as the Corporation may require), to receive in exchange therefor a certificate or certificates (as the holder requests) representing the number of full shares of Common Stock and Series 1 Preference Stock into which the shares of IRC Common theretofore represented by the certificate or certificates so surrendered shall have been changed as provided in Section 7.1, together with cash in lieu of fractional shares of Common Stock and Series 1 Preference Stock as provided in Section 7.1. Until so surrendered for exchange, each such outstanding certificate shall be deemed for all corporate purposes, other than the payment of dividends, to evidence the ownership of the number of full shares of Common Stock and Series 1 Preference Stock into which the shares of IRC Common have been so changed. Unless and until any such outstanding certificate for IRC Common shall be so surrendered, no dividend payable to holders of record of Common Stock and Series 1 Preference Stock as of any date subsequent to the time the merger becomes effective shall be paid to the holder of such outstanding certificate but, upon such surrender of such outstanding certificate (duly endorsed as the Corporation may require), there shall be paid to the record holder of the certificates of Common Stock and Series 1 Preference Stock issued in exchange therefor, the dividends (without interest) that have theretofore become payable with respect to the number of shares of Common Stock and Series 1 Preference Stock represented by said certificates issued upon such surrender and exchange.

7.3 At the time the merger becomes effective, each option granted pursuant to the IRC Qualified Stock Option Plan (1965) approved by the IRC shareholders on May 3, 1965, as amended through January 31, 1967, which remains outstanding immediately prior to the time the merger becomes effective shall be changed into and become an option to purchase one-third of one share of Common Stock plus one-fourth of one share of Series 1 Preference Stock for each share of IRC Common subject to such option immediately prior to the time the merger becomes effective; however, no exercise of an option shall require the issuance of a fractional share. The purchase price for each unit of one-third of one share of Common Stock plus one-fourth of one share of Series 1 Preference Stock shall be equal to the purchase price per share of each share

of IRC Common under the particular stock option agreement under which such option was granted as in effect immediately prior to the time the merger becomes effective, and the rights and obligations of IRC under such stock option agreement shall, modified as above provided, become the rights and obligations of the Corporation. Each such stock option agreement shall otherwise be upon the same terms and conditions and have the same provisions (including antidilution provisions) as are contained therein immediately prior to the time the merger becomes effective.

7.4 If, between the date of this Agreement and the time the merger becomes effective, TRW shall split or combine or declare any stock dividend upon the outstanding shares of Common Stock, then an appropriate adjustment to reflect the same shall be made (a) as to the amount of Common Stock into which each share of IRC Common outstanding immediately prior to the time the merger becomes effective shall be changed at such time as provided in Section 7.1 (and in the cash payments in respect of fractions of shares of Common Stock therein contemplated), and (b) as to the amount of Common Stock issuable on the exercise of options to be assumed by the Corporation at the time the merger becomes effective as provided in Section 7.3.

7.5 At the time the merger becomes effective, (a) each share of Cumulative Preferred Stock outstanding (or held in the treasury of TRW, if any) immediately prior to the time the merger becomes effective shall continue to be one share of Cumulative Preferred Stock of the Corporation of the same class having the same designation and terms as provided for shares of such class immediately prior to such time; (b) each share of Preference Stock of each series outstanding (or held in the treasury of TRW, if any) immediately prior to the time the merger becomes effective shall continue to be one share of Preference Stock of the Corporation of the same class and series having the same designation and terms as provided for shares of such class and series immediately prior to such time; (c) each share of Preference Stock II of each series outstanding (or held in the treasury of TRW), if any, immediately prior to the time the merger becomes effective shall continue to be one share of Preference Stock II of the Corporation of the same class and series having the same designation and terms as provided for shares of such class and series immediately prior to such time; (d) each share of Common Stock outstanding (or held in the treasury of TRW) immediately prior to the time the merger becomes effective shall continue to be one share of Common Stock of the Corporation having the same designation and terms as provided for shares of Common Stock immediately prior to such time; and (e) each share of each other class, if any, of TRW stock, and of each series thereof, if any, outstanding (or held in the treasury of TRW, if any) immediately prior to the time the merger becomes effective shall continue to be one such share having the same designation and terms as provided therefor immediately prior to such time. All such designations and terms for shares will, subject to the provisions of Section 18.1 below, at the time the merger becomes effective be as set forth in Article Fourth of the amended articles.

ARTICLE VIII: EFFECT OF MERGER; FURTHER ASSURANCES

8.1 From and after the time the merger becomes effective, the effect of the merger shall be as provided in the applicable provisions of the Ohio and Delaware laws. Without limiting the generality of the foregoing, and subject thereto, at such time: the separate existence of IRC shall cease; the Corporation shall possess all the rights, privileges, immunities, powers, franchises and authority, as well of a public as of a private nature, of each of the Constituent Corporations; all property of every description, real, personal and mixed, and every interest therein, and all debts and obligations of or belonging to or due to IRC on whatever account shall thereafter be taken and deemed to be transferred to and vested in the Corporation without further act or deed; title to any real estate, or any interest therein, vested in either of the Constituent Corporations by deed or otherwise shall not revert or in any way be impaired by reason of this merger; all rights of creditors of each Constituent Corporation shall be preserved unimpaired, and all liens upon the property of each of the Constituent Corporations shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the time the merger becomes effective; and all debts, liabilities and duties of IRC shall thenceforth attach to the Corporation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

8.2 From time to time as and when requested by the Corporation, or by its successors or assigns, and without further consideration, IRC shall execute and deliver such instruments and shall take or cause to be

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taken such actions as the Corporation, its successors or assigns, reasonably may require to vest or perfect in or to confirm of record or otherwise to the Corporation, its successors or assigns, title to, and possession of, all the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of IRC, and otherwise to carry out the purposes of this Agreement.

ARTICLE IX: REPRESENTATIONS OF IRC

9.1 IRC hereby makes the following representations to TRW, which representations shall not survive the time the merger becomes effective:

(a) *Corporate Status.*

IRC is a corporation duly organized, validly existing and in good standing under the laws of Delaware and has full corporate power and authority to own its properties and assets and to carry on its business as it has been and is conducted. IRC is duly qualified to do business in each state or other jurisdiction in which the nature of its business, properties or assets requires such qualification. IRC's authorized capital stock consists solely of 2,500,000 shares of IRC Common, of which as at October 6, 1967 1,606,775 shares were issued and outstanding, 1,000 shares were held in treasury and 892,225 shares were authorized but unissued. All of such 1,606,775 outstanding shares were validly issued, fully paid and non-assessable. At the close of business on October 20, 1967, the information concerning the ownership of IRC Common set forth in *Schedule I* (entitled "Ownership of IRC Shares", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification) was correct.

IRC has no commitment, either firm or conditional, to sell or issue (whether under outstanding offers, stock purchase or option agreements, warrants, conversion rights or otherwise) and since October 5, 1967 has not sold or issued any capital stock or other securities, except pursuant to IRC's commitments under stock option agreements described in Schedule V referred to in clause (h) of this Section 9.1 (the "Contract Schedule").

Except for Holyoke Wire and Cable Corporation, a New York corporation ("Holyoke"), and for Hycor Company, Inc. (Puerto Rico), a Puerto Rican corporation ("Hycor"), both of which are wholly-owned by IRC, IRC has no direct or indirect, wholly or partially owned subsidiaries conducting business, and, except as set forth in the next paragraph, neither it nor any of its subsidiaries has any other investment (equity or debt) in any other corporation, firm or organization exceeding $110,000 in the aggregate.

Except as set forth in the preceding paragraph, IRC has no subsidiaries other than (i) IRC, Inc., a New Jersey corporation, (ii) International Resistance Company, a New Jersey corporation, and (iii) IRC Electronica Ltda., a Brazilian corporation. Each of the subsidiary corporations mentioned in this paragraph is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is respectively incorporated. Except for 10 qualifying shares in the case of IRC Electronica Ltda., IRC owns all of their respective outstanding capital stock (consisting in each case solely of common stock) and the entire voting power of each of them, and none of them has any other outstanding securities. Such subsidiaries have no liabilities or obligations (absolute or contingent). IRC is presently in the process of forming an Argentinian corporation (IRC Electronica, S. A.), in which it is anticipated it will own at least 33,000 out of 165,000 authorized shares. IRC is not committed to make any payment to or in respect of such corporation in excess of $10,000.

Holyoke and Hycor are corporations duly organized, validly existing and in good standing under the laws of New York and Puerto Rico, respectively, and have full corporate power and authority to own their respective properties and assets and to carry on their respective businesses as they have been and are conducted. They are each duly qualified to do business in each state or other jurisdiction in which the nature of their respective businesses, properties or assets requires such qualification. IRC owns all of their respective outstanding capital stock and other securities and the entire voting power of each of them. All of such outstanding capital stock (33,243 shares of common stock, par value $25 per share, in the case of Holyoke and 6,000 shares of common stock, par value $5 per share, in the case of Hycor) is validly issued, fully paid and non-assessable. Neither IRC, Holyoke nor Hycor has any commitment, either firm or conditional, to sell or issue (whether under outstanding offers, stock purchase or option agreements, warrants, conversion rights or otherwise) any capital stock or other securities of Holyoke or Hycor.

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True and complete copies of the Certificate of Incorporation and By-Laws of IRC, Holyoke and Hycor, each as amended to date, have been delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification).

(b) *Financial Statements.*

IRC has delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification) the unaudited balance sheet of IRC as at October 22, 1967 (the "IRC October 22 Balance Sheet") and the related statement of the results of operations for the period of 42 weeks then ended (all certified by Stanley R. Klion), together with the audit reports of Messrs. Peat, Marwick, Mitchell & Co. for IRC's fiscal year ended January 1, 1967 and for each of IRC's four preceding fiscal years. Each such audit report contains, inter alia, a balance sheet as at the end of the particular fiscal year, a statement of the results of operations for such year and, for the fiscal year ended January 1, 1967 only, a statement of source and disposition of funds. Each of such unaudited and audited balance sheets and each of such unaudited and audited statements of the results of operations and of the source and disposition of funds and each of such audit reports are correct and complete and fairly present in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the financial position of IRC at the respective dates, the results of operations of IRC for the respective periods set forth therein and the source and disposition of IRC's funds during its fiscal year ended January 1, 1967.

IRC has delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification) the unaudited balance sheets of Holyoke as at June 30, 1967 and September 30, 1967 (the "Holyoke September 30 Balance Sheet") and the related statements of income and retained earnings for Holyoke's fiscal year and its period of three months then ended (all certified by Stanley R. Klion), together with the long form of audit report of Messrs. Lybrand, Ross Bros. & Montgomery for the fiscal years of Holyoke ended June 30, 1963, 1964, 1965 and 1966. Each such audit report contains, inter alia, a balance sheet as at the end of the particular fiscal year and a statement of income and retained earnings for such year. Each of such unaudited and audited balance sheets and each of such unaudited and audited statements of income and retained earnings and each of such audit reports are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the financial position of Holyoke at the respective dates and the results of operations of Holyoke for the respective periods set forth therein.

IRC has delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification and certified by Stanley R. Klion) the unaudited balance sheet of Hycor as at September 17, 1967 (the "Hycor September 17 Balance Sheet") and the related statement of the results of operations for the period of 37 weeks then ended, together with comparable financial information for Hycor's fiscal year ended January 1, 1967 and each of Hycor's four preceding fiscal years. Each of such balance sheets and each of such statements of the results of operations are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the financial position of Hycor at the respective dates and the results of operations of Hycor for the respective periods set forth therein.

(c) *Absence of Undisclosed Liabilities.*

IRC, Holyoke and Hycor, respectively, each have no liabilities or obligations (absolute or contingent) other than (i) those reflected in its latest balance sheet referred to above and not paid or discharged after the date of such balance sheet, (ii) those arising under agreements and commitments listed or described in any of, or permitted to be omitted from all of, the schedules delivered by IRC to TRW pursuant to this Agreement, (iii) those incurred since the date of such balance sheet in the ordinary and usual course of its business (in transactions in the ordinary and usual course of its business) which are not inconsistent with the other representations or agreements of IRC set forth in this Agreement or with the fulfillment of the conditions set forth in Article XV, and (iv) possible liabilities or obligations in respect of product warranties, none of which extend beyond one year from the date of sale of the products involved, and all of which, to the best of the knowledge and belief of IRC, do not exceed in the aggregate $150,000 in the case of IRC and $30,000 in the case of Holyoke.

(d) *Absence of Certain Changes or Events.*

(i) Since September 1, 1967 IRC has not made or committed itself to make any distribution of any of its assets by way of declaration or payment of dividends, redemption or purchase of shares or otherwise, except to the extent permitted by clause (a) (ii) of Article XI.

(ii) There is no claim, litigation, proceeding or governmental investigation pending, or to the best of the knowledge and belief of IRC or any of its subsidiaries, threatened against or affecting IRC or any of its subsidiaries or the respective businesses, properties or assets of IRC or its subsidiaries except as indicated in *Schedule II* (entitled "Claims, Litigation, Proceedings, Etc., Affecting IRC and its Subsidiaries", delivered to TRW prior to the date of this Agreement, initialed by Edward S. Weyl or Wilson Oelkers for identification and herein called the "Litigation Schedule"). Without limiting the generality of the foregoing, neither IRC nor any of its subsidiaries are engaged in any patent, trademark, trade secret or other proprietary know-how controversy or any controversy with respect to the performance of products sold by IRC or any of its subsidiaries, except as listed or described in the Litigation Schedule. The manufacture, sale and use by IRC and its subsidiaries of their respective present products, processes, compositions of material and apparatus does not infringe, and continued manufacture, sale and use thereof by the Corporation or any subsidiary thereof will not infringe, any existing valid patent or trademark rights or involve the improper use of trade secrets or other proprietary know-how belonging to third parties. Neither IRC nor any of its subsidiaries is subject to any judgment, order, writ, injunction or decree of any court or governmental authority except for such, if any, as may be listed or described in the Litigation Schedule.

(iii) Since January 1, 1967 neither IRC nor any of its subsidiaries has (A) engaged in any activity or entered into or carried out any transaction other than in the ordinary and usual course of their respective businesses, except, in the case of IRC, for the purchase by it of all of the outstanding shares of capital stock of Holyoke pursuant to an Agreement dated March 27, 1967 between IRC and certain Selling Shareholders identified therein; or (B) through the date of this Agreement, incurred any change in their respective financial conditions, results of operations, businesses, properties or assets other than changes in the ordinary and usual course of business, none of which has been materially adverse, or experienced any occurrence or circumstance which has had or might reasonably be expected to have a material adverse effect on their respective financial conditions, results of operations, businesses, properties or assets.

(iv) Since January 1, 1967 neither IRC nor any of its subsidiaries has paid or committed itself to pay to or for the benefit of any of its directors, officers, employees or sales representatives any salary, wages, bonuses, profit sharing, pension, retirement or deferred compensation payments, or any other form of direct compensation or benefits, other than wages, salaries and sales commissions at rates then in effect and except (A) increases required pursuant to union agreements then in effect, (B) merit increases made in the normal course of business to employees who are not officers of IRC or any of its subsidiaries, and (C) increases in commissions made in the normal course of business to sales representatives. Since January 1, 1967, however, IRC has continued to make permitted payments pursuant to its bonus and profit sharing plans listed in the Contract Schedule, granted one new stock option to an officer, increased the salary of an officer and entered into a post-employment benefit contract with an officer.

(e) *Title to Property.*

The properties and assets owned by IRC and its subsidiaries include:

(i) The real properties and leases described in *Schedule III* (entitled "Schedule of Real Properties Owned and Leased by IRC and Subsidiaries", delivered to TRW prior to the date of this Agreement, initialed for identification by Edward S. Weyl or Wilson Oelkers and herein called the "Real Estate Schedule");

(ii) The other properties and assets reflected on the IRC October 22 Balance Sheet, the Holyoke September 30 Balance Sheet and the Hycor September 17 Balance Sheet, except for those disposed of

after the applicable balance sheet date by IRC, Holyoke or Hycor, as the case may be, in the ordinary and usual course of their respective businesses (none of which was necessary to the efficient and profitable continuation of their respective businesses); and

(iii) All other properties and assets (including, without limitation, real and personal property, plant and equipment, tooling, inventions, patents, trademarks, licenses and other rights) presently carried on their respective books or used at any time in their respective businesses since prior to January 1, 1967, except properties and assets disposed of in the ordinary and usual course of their respective businesses, none of which was necessary to the efficient and profitable continuation of their respective businesses, and except for the real properties and equipment leased by IRC or one of its subsidiaries pursuant to the leases listed or described in the Contract Schedule.

IRC and each of its subsidiaries have good and marketable title to all of their respective properties and assets, free and clear of any imperfection of title, lien, encumbrance, charge, equity or restriction other than (i) the lien of taxes not yet due and payable, and (ii) in the case of realty, the exceptions indicated in the Real Estate Schedule. None of the properties or operations of IRC or of its subsidiaries thereon violates any applicable zoning requirement or any other governmental requirement relating to such properties or operations (and such nonviolation is not dependent on so-called nonconforming use exceptions).

(f) *Receivables.*

The receivables of IRC, Holyoke and Hycor are valid and collectible, not subject to any defense or offset, except to the extent of the reserve for losses shown on the IRC October 22 Balance Sheet, the Holyoke September 30 Balance Sheet and the Hycor September 17 Balance Sheet, respectively, as said reserves are respectively adjusted to the time the merger becomes effective on the books of IRC, Holyoke and Hycor in the ordinary and usual course of their respective businesses to reflect events in the ordinary and usual course of their respective businesses subsequent to the dates of such respective balance sheets. Except for receivables not exceeding $15,000 in the aggregate, the only receivables of IRC or any of its subsidiaries owing by officers or other employees or substantial shareholders of IRC or any of its subsidiaries or by corporations, firms or organizations in which officers or employees or substantial shareholders of IRC or any of its subsidiaries have any substantial interest are as set forth in *Schedule IV* (entitled "IRC and Subsidiary Advances to Officers, Etc.", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification).

(g) *Inventory.*

The items in the physical inventories of IRC, Holyoke and Hycor, respectively (except for items which on or before the date of its latest balance sheet referred to in clause (b) of this Section 9.1 have been determined to be obsolete under its normal practices and the entire value of which has been written off at or prior to the applicable balance sheet date, or which has been so written off since such date upon like determination to reflect events in the ordinary and usual course of its business since such date) consist solely of the following in quantities reasonably related to the requirements of its business: (i) raw materials, work in process and finished goods suitable and merchantable for filling orders in the ordinary and usual course of its business, and (ii) supplies suitable for use in the ordinary and usual course of its business.

(h) *Contracts and Commitments.*

Schedule V (entitled "Contracts and Commitments of IRC and Subsidiaries", delivered to TRW prior to the date of this Agreement, initialed by Edward S. Weyl or Wilson Oelkers for identification and herein called the "Contract Schedule") lists or describes in respect of IRC and each of its subsidiaries:

Each contract or commitment involving more than $7,500 for the purchase of, and each contract or commitment involving more than $25,000 for the sale of, inventory, supplies, equipment, capital assets, products or services; all unfilled government contracts involving more than $7,500; all insurance policies; all pension, profit sharing, retirement, bonus, deferred compensation, stock purchase, stock option or other employee benefit plans or arrangements; all contracts with or commitments to employees, directors, officers, shareholders or consultants (including collective bargaining agreements); all contracts or commitments evi-

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dencing or providing for loans; all contracts or commitments for distributorships, dealerships or sales representation; all leases; all licenses and other contracts and commitments relating to patents, trademarks, trade names or copyrights, or applications for any thereof, inventions, trade secrets or other proprietary know-how; and all contracts and commitments not in the ordinary and usual course of their respective businesses. Prior to the date of this Agreement, IRC has made available to TRW a correct copy of each of the contracts and commitments listed or described in the Contract Schedule which were in writing and has delivered to TRW such thereof as have been requested by TRW, and all written contracts or commitments so delivered have been initialed for identification by an IRC officer or counsel to IRC. All the contracts and commitments listed or described in the Contract Schedule are valid and binding and in full force and effect, and, except for possible default in meeting delivery schedules on certain sales orders which will have no material adverse consequences, no occurrence or circumstance exists which constitutes a breach or default (or which by the lapse of time and/or giving of notice would constitute a breach or default) by IRC or any of its subsidiaries under such contracts or commitments.

(i) *Patents and Trademarks.*

All patents, trademarks, trade names and copyrights, and all applications for any thereof, and all invention disclosures directly or beneficially owned by IRC and its subsidiaries are as set forth in *Schedule VI* (entitled "IRC and Subsidiary Patents, Etc.", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification). Since prior to April 1, 1966, IRC has had a contractual arrangement relating to rights in inventions, etc., substantially in the forms referred to in the Contract Schedule with each of its employees (including officers) who are exempt employees for purposes of the Fair Labor Standards Act, as amended, and all other employees engaged in duties of a technical nature.

(j) *Compliance with Law.*

Except for possible minor exceptions the curing of which would not have a material effect on the respective financial conditions, results of operations, businesses, properties or assets of IRC and its subsidiaries, each of their respective businesses have been conducted since prior to January 1, 1957 in accordance with the applicable laws and other requirements of governmental authorities.

(k) *Authorization of Agreement.*

This Agreement and the consummation hereof have been fully authorized on behalf of IRC by all requisite corporate action, except for the vote of its shareholders contemplated by this Agreement. Neither the execution nor the consummation of this Agreement does or will constitute a breach or default (or an occurrence which, by the lapse of time and/or the giving of notice, would constitute a breach or default) under any contract or commitment to which IRC or any of its subsidiaries is a party or by which any of their respective properties or assets are bound or result in the creation or imposition of any lien, encumbrance, charge, equity or restriction of any nature whatsoever in favor of any third party upon any of the properties or assets of IRC or of any of its subsidiaries.

(l) *Brokers.*

Neither IRC nor any of its shareholders has, directly or indirectly, dealt with anyone acting as broker, finder or in a similar capacity, and IRC has not, and will not, incur any obligation for any broker's, finder's or similar fee or commission in connection with this Agreement or any of the transactions contemplated hereby.

(m) *Insurance.*

IRC and its subsidiaries have in full force and effect the policies of insurance set forth on *Schedule VII* (entitled "Insurance of IRC and Subsidiaries", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification), with all premiums due thereon paid.

(n) *Taxes.*

All tax returns and reports of IRC and its subsidiaries required by law to be filed have been duly filed. All taxes, assessments, fees, penalties, interest and other governmental charges with respect to IRC and its subsidiaries which are due and payable have been paid. All federal income tax returns of IRC and Holyoke have been examined by the Internal Revenue Service through the fiscal years ended January 3, 1965 and June 30, 1964, respectively, and all assessments asserted with respect to such years and all prior years have been paid. Hycor's income tax returns have been audited by the Puerto Rican government through its fiscal year ended December 31, 1963, and all assessments asserted with respect to such year and all prior years have been paid. The most recent balance sheets of IRC, Holyoke and Hycor, identified in clause (b) of this Section 9.1, contain adequate provision for all taxes, assessments, fees, penalties, interest and other governmental charges which were, are or may become payable with respect to them at any time as a result of events occurring on or before the respective dates thereof.

(o) *Renegotiation.*

IRC has no liability (absolute or contingent) under any federal requirement relating to the renegotiation or redetermination of profits or prices for sales made prior to January 2, 1966 and neither Holyoke nor Hycor have any such liability whatsoever. To the best of the knowledge and belief of IRC, the liability, if any, of IRC under any such requirement for sales made on and after January 2, 1966 through the date of this Agreement does not, and as at December 31, 1967 will not, exceed $125,000, net of applicable federal income taxes.

9.2 The sole relief or remedy of TRW by reason of a misrepresentation by IRC shall be the termination of this Agreement pursuant to Article XVII.

ARTICLE X: REPRESENTATIONS OF TRW

10.1 TRW hereby makes the following representations to IRC, which representations shall not survive the time the merger becomes effective:

(a) *Corporate Status.*

TRW is a corporation duly organized, validly existing and in good standing under the laws of Ohio and has full corporate power and authority to own its properties and assets and to carry on its business as it has been and is conducted. The information as to TRW capital stock set forth in the first recital clause of this Agreement is accurate as at September 30, 1967.

(b) *Financial Statements.*

TRW has delivered to IRC copies of TRW's Annual Reports to its shareholders for the five calendar years 1962 through 1966 and its report to shareholders for the six months ended June 30, 1967, containing, in each case, TRW's consolidated balance sheet as at the end of each such year or period and its statement of consolidated income for such year or period. Subject, in the case of such report to shareholders for such six months, to Note (E) thereto, such audited and unaudited financial statements are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the consolidated results of operations for each of such years and such period and, in the case of such balance sheet as at June 30, 1967, the consolidated financial position of TRW as at such date.

(c) *Absence of Events.*

From December 31, 1966 through the date of this Agreement, there has been no material adverse change in the financial condition, results of operations or business of TRW and its consolidated subsidiaries taken on a consolidated basis, or any occurrence or circumstance experienced by them which has had or might reasonably be expected to have a material adverse effect on such financial condition, results of operations or business.

10.2 The sole relief or remedy of IRC by reason of a misrepresentation by TRW shall be the termination of this Agreement pursuant to Article XVII.

ARTICLE XI: CERTAIN AGREEMENTS OF IRC

IRC hereby agrees that between the date of this Agreement and the time the merger becomes effective:

(a) Except as otherwise expressly permitted by this Agreement, and except as TRW may otherwise consent to in writing from time to time, IRC will, and will cause each of its subsidiaries to, conduct its business and affairs only in the ordinary and usual course and not engage in any activity or enter into any transaction outside the ordinary and usual course of business. Without limiting the generality of the foregoing, IRC will not, and will not permit its subsidiaries to, (except as aforesaid) engage in any activity or enter into any transaction which would be inconsistent with any of IRC's representations set forth in Section 9.1 if such representations were made as of a date subsequent to such activity or transaction and all references to the date of this Agreement were deemed to be such latter date; provided, however, that, notwithstanding the foregoing: (i) IRC and its subsidiaries may in the ordinary and usual course of their respective businesses enter into, amend or terminate any contract or commitment of a type listed or described in the Contract Schedule which is indicated in such Schedule to be a type entered into in the ordinary and usual course; and (ii) IRC may declare and pay (A) cash dividends aggregating not in excess of $0.40 per share of IRC Common to be paid on or prior to December 1, 1967 and (B) quarterly cash dividends not in excess of $0.25 per share of IRC Common for each quarterly period of three full calendar months which shall elapse from December 1, 1967 through the day prior to the time the merger becomes effective, plus (C) such additional equalizing cash dividend, if any, in respect of the period (the "Equalizing Period"), commencing after the end of the last such quarterly period of three full calendar months to occur prior to the time the merger becomes effective and ending on the first dividend payment date for TRW Common occurring after such time, as shall be appropriate to result in the payment by IRC and/or the Corporation to holders or former holders of IRC Common of cash dividends equal to dividends through the day prior to such time at the rate of the last permitted quarterly cash dividend paid by IRC and for the balance of the Equalizing Period at the rate of one-third of the then prevailing quarterly cash dividend upon TRW Common (the amount of which equalizing cash dividend shall be determined in a written agreement executed by the officers of the Constituent Corporations authorized to make such determination by their respective Boards of Directors, and the amount so determined shall be conclusive and binding upon the Constituent Corporations, the Corporation and their respective shareholders).

(b) IRC will (i) provide to TRW and its representatives, during normal business hours, full access to all of the properties, assets, books, agreements, commitments and records of IRC and its subsidiaries, (ii) furnish TRW and such representatives with all such information concerning any of the affairs of IRC and its subsidiaries as TRW reasonably requests, (iii) use its best efforts to cause the past and present auditors of IRC and its subsidiaries to make available to TRW and such representatives all financial information requested, including the right to examine all working papers, pertaining to audits and reviews made heretofore or hereafter by such auditors, (iv) provide such cooperation as TRW and such representatives may reasonably request in connection with any audit or review of IRC and its subsidiaries which TRW may direct its representatives to make, and (v) to the extent reasonably requested by TRW, obtain from the other party or parties to all contracts, commitments or other rights to which IRC is a party, appropriate consents in writing to the succession of the Corporation to the interests of IRC in such contracts, commitments and other rights.

(c) IRC will give such notices and take such further action as may be reasonably requested by TRW to comply with all applicable laws.

(d) IRC will use its best efforts to preserve its own and each of its subsidiaries' respective business organizations intact, to keep available to TRW the services of the present employees of IRC and its subsidiaries, including officers, and to preserve for TRW the good will of the suppliers, customers and others having business relations with IRC and its subsidiaries.

(e) IRC will provide TRW not later than January 12, 1968, to the extent requested by TRW not later than November 27, 1967, with:

(i) commitments from title companies acceptable to TRW to the effect that such companies shall be prepared to issue and deliver to the Corporation at or promptly after the time the merger becomes effective policies of title insurance in forms acceptable to TRW insuring to the Corporation

(and to Holyoke or Hycor in the case of real property owned or leased by them) in such amounts as TRW may reasonably request for each parcel of real estate described as owned or leased by any of them on the Real Estate Schedule, good and marketable fee title to each such owned parcel, and a good and marketable leasehold title to each such leased parcel, in each case free and clear of imperfections in title and all liens, encumbrances, charges, equities and restrictions other than the exceptions set forth in such Schedule; provided that if title insurance is not available in the applicable jurisdiction an opinion as to title acceptable to TRW by counsel acceptable to TRW may be substituted for the title commitment; and

(ii) surveys of the real estate described in such Schedule certified as of a date subsequent to the date of this Agreement by a surveyor licensed by the state in which any particular surveyed property is situate (and, if TRW requests a title insurance commitment with respect to such property, satisfactory to the title company so committing), such surveys to show, among other things, boundary lines, access to public streets, improvements, building lines, easements (whether of record or in fact), the relationship of adjoining property and improvements to real estate and other improvements and such other matters as TRW may reasonably request.

(f) Forthwith IRC will cause TRW to be named as an insured in all of IRC's insurance policies to the extent of TRW's interest as it may appear.

(g) IRC shall deliver to TRW not later than January 31, 1968 an audit report of Messrs. Peat, Marwick, Mitchell & Co. which shall contain a consolidated and consolidating balance sheet of IRC and Holyoke as at December 31, 1967 and the related consolidated and consolidating statements of the results of operations for the fiscal year then ended and of the source and disposition of funds during such year. Such audit report will, as delivered, be correct and complete and fairly present, on a consolidated and consolidating basis and in accordance with generally accepted accounting principles applied on a basis consistent with prior periods, the financial positions of IRC and Holyoke as at December 31, 1967, the results of their respective operations for the fiscal year then ended and the source and disposition of their respective funds during such year. Such audit report will be accompanied by the certificate of Messrs. Peat, Marwick, Mitchell & Co. to the effect that such presentation, on a consolidated and consolidating basis, is as aforesaid.

(h) IRC will promptly take such action as may be necessary to call and hold a meeting of its shareholders to adopt this Agreement and to authorize consummation of the transactions contemplated hereby and such other matters as may be appropriate or required.

(i) IRC will promptly advise TRW in writing of each written objection made under Section 262 of the General Corporation Law of the State of Delaware.

ARTICLE XII: CERTAIN AGREEMENTS OF TRW

12.1 Except as IRC may otherwise consent in writing, TRW will not prior to the time the merger becomes effective (a) declare or pay any dividend or make any other distribution on Common Stock other than (i) the declaration and payment of regular quarterly dividends not exceeding $0.45 per share per quarter, (ii) the declaration and payment of a year-end extra dividend in respect of 1967 not exceeding $0.20 per share, and (iii) distributions of the type covered by Section 7.4 above; or (b) change the amended articles so as to (i) authorize or create, or increase the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to Serial Preference Stock II; or (ii) change the provisions of Division C-1 or Division C-2 of Article Fourth of the amended articles (or of Division C thereof insofar as such Division C relates to such Division C-1 or Division C-2), except to increase the authorized number of shares.

12.2 TRW will use its best efforts:

(a) to list, subject to notice of issuance, on the New York Stock Exchange, the shares of Series 1 Preference Stock to be issued in connection with the merger (including those to be reserved for issuance upon exercise of options referred to in Section 7.3 above); and

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(b) to list, subject to notice of issuance, on each stock exchange on which Common Stock is listed, the shares of Common Stock to be issued in connection with the merger (including those to be reserved for issuance upon exercise of such options) and the shares of Common Stock into which the aforesaid shares of Series 1 Preference Stock are convertible.

ARTICLE XIII: FURTHER AGREEMENTS OF CONSTITUENT CORPORATIONS

13.1 IRC will use its best efforts to obtain a ruling satisfactory to IRC and TRW from the Internal Revenue Service (based on a request for a ruling, including information furnished in support of such request, satisfactory to IRC and TRW) to the effect that (a) the merger of IRC into TRW pursuant to this Agreement will constitute a "reorganization" within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1954, as amended (the "Code"), (b) for federal income tax purposes, no gain or loss will be recognized to IRC or TRW upon the merger or (except in respect of cash received in lieu of a fractional share or by dissenting shareholders) to any IRC or TRW shareholder upon the merger or upon receipt of Common Stock or Series 1 Preference Stock to be issued in the merger, and (c) Section 306(a) of the Code will not apply to the sale or other disposition of shares of Series 1 Preference Stock to be issued in the merger other than, possibly, to a sale or disposition, within five years from the date the merger becomes effective, to the Corporation or in anticipation of a redemption by the Corporation.

13.2 Neither of the Constituent Corporations shall voluntarily undertake any course of action inconsistent with satisfaction of the conditions applicable to it set forth in this Agreement, and each shall promptly do all such acts and take all such measures as may be appropriate to comply as early as practicable with the representations, agreements, conditions and other provisions of this Agreement.

ARTICLE XIV: CONDITIONS ON OBLIGATION OF IRC

The obligation of IRC to consummate the merger contemplated by this Agreement (by causing the time the merger becomes effective to occur) shall be subject to the following conditions:

(a) TRW's representations contained in this Agreement shall be true and correct both on the date hereof and immediately prior to the time the merger becomes effective (applied without change of specified dates); and TRW shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by TRW prior to such time.

(b) Subsequent to the date of this Agreement, there has been no material adverse change in the financial condition, results of operations or business of TRW and its subsidiaries, taken on a consolidated basis, other than changes in the ordinary and usual course of business, and no occurrence or circumstance experienced by them outside of the ordinary and usual course of business which has had or might reasonably be expected to have such a material adverse effect on such financial condition, results of operations or business.

(c) The information provided by TRW for use in any IRC proxy soliciting material or letter to shareholders shall, at the time of the vote of the IRC shareholders upon this Agreement, not be false or misleading in any material respect or fail to state any fact necessary to make the statements therein not false or misleading in any material respect; and TRW will indemnify and hold harmless each officer, director, and each person, if any, who controls IRC within the meaning of the Securities Act of 1933, as amended, against any losses, claims, damages or liabilities to which any such officer, director, or controlling person may be subject under such Act or otherwise insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement in any IRC proxy soliciting material or letter to shareholders, which statement was made in reliance upon and in conformity with written material with respect to TRW and United-Carr Incorporated and their subsidiaries furnished and signed by the General Counsel or Assistant General Counsel or the Secretary of TRW specifically for use in the preparation thereof, and will reimburse any such officer, director, or controlling person for any legal or other expenses reasonably incurred by him in connection with investigating or defending any such loss, claim, damage, liability or action.

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(d) TRW shall be prepared to deliver to IRC, immediately upon completion of the filings intended to effect the merger, an opinion of E. E. Ford, R. J. Leaver or other internal counsel for TRW, dated as at the date of such filings and addressed to IRC, in form and substance satisfactory to counsel for IRC, to the effect that (i) the TRW representations set forth in clause (a) of Section 10.1 are correct and the condition set forth in clause (j) of this Article XIV has been satisfied; and (ii) upon such filings the merger of IRC into TRW became effective pursuant to Chapter 1701 of the Ohio Revised Code and, assuming the IRC Common outstanding immediately prior to such merger was fully paid and non-assessable, the shares of Common Stock and Series 1 Preference Stock into which such IRC Common was changed in the merger are (and the shares of Common Stock into which such shares of Series 1 Preference Stock are convertible will be) fully paid and non-assessable.

(e) Messrs. White and Williams, counsel for IRC, shall be prepared to deliver to IRC immediately upon completion of the filings intended to effect the merger, their opinion, dated as at the date of such filings and addressed to IRC, to the effect that this Agreement and the consummation hereof have been fully authorized on behalf of IRC by all requisite corporate action and that, upon such filings, the merger of IRC into TRW became effective pursuant to the General Corporation Law of the State of Delaware.

(f) IRC shall have received a ruling by the Internal Revenue Service at least as favorable as that contemplated by Section 13.1 above.

(g) At a meeting duly called and held for such purposes, the IRC shareholders shall have duly adopted this Agreement and approved the transactions contemplated hereby by the affirmative vote of the holders of at least two-thirds of the total number of the outstanding shares of IRC Common in accordance with the applicable provisions of the General Corporation Law of the State of Delaware.

(h) The New York Stock Exchange shall have approved for listing on said Exchange upon official notice of issuance the shares of Common Stock which are referred to in Section 12.2.

(i) Prior to the time the merger becomes effective, there shall be no litigation or proceeding pending or threatened against IRC or any director of IRC or involving the properties or assets of IRC for the purpose of enjoining or preventing the consummation of this Agreement or otherwise claiming that such consummation, or this Agreement, is improper.

(j) This Agreement and the consummation hereof shall have been fully authorized on behalf of TRW by all requisite corporate action.

(k) TRW shall have furnished to IRC a certificate dated the time the merger becomes effective, signed by a Vice President, and by its Secretary or an Assistant Secretary, to the effect that to the best of their knowledge and belief the conditions set forth in clauses (a), (b), (c) and (j) of this Article XIV have been satisfied.

ARTICLE XV: CONDITIONS ON OBLIGATION OF TRW

The obligation of TRW to consummate the merger contemplated by this Agreement (by causing the time the merger becomes effective to occur) shall be subject to the following conditions:

(a) The representations of IRC contained in this Agreement (read without regard to knowledge and belief qualifications) shall be true and correct both on the date hereof and immediately prior to the time the merger becomes effective (applied without change of specified dates); and IRC shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by IRC prior to such time.

(b) Subsequent to the date of this Agreement, there has been no material adverse change in the financial condition, results of operations, business, properties or assets of IRC or any of its subsidiaries other than changes in the ordinary and usual course of their respective businesses, and no occurrence or circumstance experienced by any of them outside of the ordinary and usual course of their respective businesses has had or might reasonably be expected to have such a material adverse effect on such financial condition, results of operations, business, properties or assets.

(c) Prior to the time the merger becomes effective, there shall be no litigation or proceeding (i) pending or threatened against IRC, any of its subsidiaries, TRW or any of their respective directors or involving the properties or assets of any of the foregoing, for the purpose of enjoining or preventing the consummation of this Agreement or otherwise claiming that such consummation, or this Agreement, is improper, or (ii) pending or threatened against TRW which, if decided adversely to TRW, would adversely affect the right of TRW to retain the property and other assets or continue the operations of the property, assets and business of IRC or any of its subsidiaries if and when the merger becomes effective. Prior to such time, there shall be no governmental investigation pending or threatened which might lead to or result in any litigation or proceeding of the nature referred to in the foregoing sentence.

(d) The conditions set forth in clauses (f) and (g) of Article XIV shall have been satisfied.

(e) The stock exchange listings for Common Stock contemplated by Section 12.2 shall have been obtained, subject to official notice of issuance.

(f) Messrs. Jones, Day, Cockley & Reavis, counsel for TRW, shall be prepared to deliver to TRW at the time the merger becomes effective their opinion, dated as at such time and addressed to TRW, to the effect that the Common Stock and Series 1 Preference Stock to be issued pursuant to this Agreement may be issued in compliance with the Securities Act of 1933, as amended.

(g) E. E. Ford, R. J. Leaver or other internal counsel for TRW, as the case may be, shall be prepared to deliver to TRW immediately upon completion of the filings intended to effect the merger, his opinion, dated as at the date of such filings and addressed to TRW, to the effect contemplated by clause (d) of Article XIV.

(h) Messrs. White and Williams, counsel for IRC, shall be prepared to deliver to TRW immediately upon completion of the filings intended to effect the merger their opinion, dated as at the date of such filings and addressed to TRW, in form and substance satisfactory to counsel for TRW, to the effect contemplated by clause (e) of Article XIV and to the further effect that: (a) the IRC representations set forth in the first two paragraphs of clause (a) of Section 9.1 (except for the last sentence of the first paragraph thereof), in the last sentence of clause (k) of said Section 9.1 and, to the best of their knowledge and belief, in the first two and last sentences of subclause (ii) of clause (d) of such Section 9.1 are correct at the date of such filings, and (b) to the best of their knowledge and belief, the condition set forth in clause (c) of this Article XV has been satisfied.

(i) The letter agreement or agreements entered into contemporaneously herewith between TRW and certain shareholders of IRC with respect to certain matters relating to the Securities Act of 1933, as amended, shall be in full force and effect with no breach or default as to any representation, warranty or agreement contained therein; and, except for the parties thereto, there shall not be any person who might reasonably be considered an "affiliate" of IRC as defined in Rule 133 under said Act.

(j) The Employment Agreement with TRW entered into contemporaneously herewith by Wilson Oelkers and the Consulting Agreement between TRW and Edward S. Weyl also entered into contemporaneously herewith are each in full force and effect with no breach or default as to any representation, warranty or agreement contained therein.

(k) The proxy soliciting material (and any accompanying letter to shareholders) to be submitted by IRC to its shareholders for the special meeting to be called to adopt this Agreement, and the information provided by IRC for use in any TRW listing application or other document relating to the merger, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(l) IRC shall have furnished to TRW a certificate dated the time the merger becomes effective, signed by such IRC officers as TRW may request, to the effect that to the best of their knowledge and belief the conditions set forth above in this Article XV (insofar as they relate to IRC) have been satisfied.

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ARTICLE XVI: TIME MERGER EFFECTIVE

The time the merger becomes effective shall mean the time this Agreement is filed in the office of the Secretary of State of Ohio following its filing with the Secretary of State in Delaware in accordance with Chapter 1701 of the Ohio Revised Code and the General Corporation Law of the State of Delaware.

ARTICLE XVII: TERMINATION

This Agreement may be terminated and abandoned, either before or after the meeting of IRC shareholders herein provided for, but prior to the time the merger becomes effective:

(a) By mutual written consent of IRC and TRW authorized by their respective Boards of Directors;

(b) By written notice from IRC to TRW authorized by the Board of Directors of IRC if the conditions provided in Article XIV shall not have been met by July 31, 1968 or the date of such notice, whichever is later; or

(c) By written notice from TRW to IRC authorized by the Board of Directors of TRW if the conditions provided in Article XV shall not have been met by July 31, 1968 or the date of such notice, whichever is later.

ARTICLE XVIII: MISCELLANEOUS

18.1 Any of the provisions of this Agreement may be waived at any time by the party which is, or the shareholders of which are, entitled to the benefit thereof upon the authority of the Board of Directors of such party, provided that any such waiver shall not, in the judgment of such Board, affect materially and adversely the benefits of such party or its shareholders intended under this Agreement. Any of the provisions of this Agreement (including Exhibits A and B) and any of the provisions of the schedules referred to herein as heretofore delivered to either party may be modified at any time prior to or after the vote hereon of the IRC shareholders by agreement in writing between the parties approved by the Board of Directors of each party and executed in the same manner (but not necessarily by the same persons) as this Agreement, provided that such modification shall not, in the judgment of the Board of Directors of either party, affect materially and adversely the benefits of such party or its shareholders intended under this Agreement.

Notwithstanding the provisions of the preceding paragraph, if at any time or from time to time prior to the time the merger becomes effective, the TRW articles as defined in division (D) of section 1701.01 of the Ohio Revised Code are amended so as to become changed from Exhibit A attached hereto or if the particulars with respect to directors and/or officers become changed from those contemplated by Exhibit B attached hereto, then to the extent specified by TRW in one or more written notices to IRC, this Agreement shall automatically reflect such change or changes, as the case may be. Such change or changes shall be evidenced by substituting for such attachment or attachments hereto, Exhibit A and/or Exhibit B, as the case may be, a new Exhibit or new Exhibits A and/or B reflecting such change or changes and this Agreement shall thereafter be re-executed by IRC and TRW to confirm the same. If a particular change in the TRW articles is of a type requiring IRC's consent under Section 12.1(b) above, such consent shall be a condition precedent to such change and re-execution as aforesaid.

Without limiting the generality of the foregoing paragraphs of this Section 18.1, and notwithstanding the provisions of Sections 1.2 and 12.1 and any other provision of this Agreement, TRW may, prior to the time the merger becomes effective, call a meeting of its shareholders and take other action to amend the TRW articles so that the TRW articles will be as set forth in Exhibit A attached hereto with the changes therein which are specified in Exhibit C attached hereto and hereby made a part hereof. In the event the TRW articles are so amended prior to the time the merger becomes effective, then Exhibit A, with the changes specified in Exhibit C, shall be (subject to further application of the provisions of this Section 18.1) the amended articles for all purposes of this Agreement. In such event, (a) the term "Common Stock" as

used in this Agreement (other than in the first recital clause) shall at any particular time mean TRW Common Stock of the par value provided therefor in the TRW articles as at such time; (b) the figure "$2.50" in Article III shall be deemed to read "an amount equal to the par value"; and (c) there shall be added within the parenthetical phrase in clause (a) of Section 7.4, after the word "contemplated", the following:

". . . and in the manner of computing any additional equalizing cash dividend contemplated by clause (a) (ii) (C) of Article XI . . ."

18.2 To the extent permitted by law, the powers of the Board of Directors of TRW and IRC, respectively, under and with respect to this Agreement may be delegated by such respective Boards to their respective Executive Committees and/or to any of the officers of their respective corporations.

18.3 TRW agrees to hold in confidence any information not generally available to the public received by it from IRC or any of IRC's subsidiaries pursuant to the terms of this Agreement, and should this Agreement be terminated for any reason, TRW will continue to hold such information in confidence and will, to the extent requested by IRC, promptly return to IRC all written material given to TRW by IRC or any subsidiary pursuant hereto.

18.4 Any notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered to the President or a Vice President or the Secretary or an Assistant Secretary of IRC or TRW, as the case may be, or when delivered to or received by mail at the following address:

(a) If to IRC:

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108
Attention: President

(b) If to TRW:

TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117
Attention: Secretary

or at such other address as either party may notify the other.

18.5 In furnishing opinions pursuant to this Agreement, counsel may rely upon certificates of officers of the respective parties and their subsidiaries, opinions of other counsel and such other documents and data as they may deem appropriate as the basis for their opinions.

18.6 This Agreement shall supersede any other agreement, whether written or oral, that may have been made or entered into by IRC or TRW or by any officer or officers of such parties relating to the acquisition of the properties and assets of IRC by TRW. This Agreement constitutes the entire agreement between the parties and there are no representations, warranties or commitments except as set forth herein; it may be amended only by instrument in writing executed by the parties hereto and authorized as provided herein. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm or corporation other than the parties hereto and their respective shareholders any rights or remedies under or by reason of this Agreement. There shall be no recourse against any party by reason of this Agreement or any transaction contemplated hereby not having the intended tax consequences. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

IN WITNESS WHEREOF, TRW and IRC have caused their respective corporate seals to be hereunto affixed and these presents to be signed by their respective officers thereunto duly authorized as of the day and year first above written.

TRW Inc. [CORPORATE SEAL]

[CORPORATE SEAL]

Attest:

P. W. SCHUETTE
Secretary

By J. S. WEBB
Executive Vice President

and R. J. LEAVER
Assistant Secretary

IRC, INC. [CORPORATE SEAL]

[CORPORATE SEAL]

Attest:

BARRY R. SPIEGEL
Secretary

By WILSON H. OELKERS
President

and BARRY R. SPIEGEL
Secretary

TRW-MGR-0028

Exhibit A

to

Agreement of Merger

AMENDED ARTICLES OF INCORPORATION

OF

TRW INC.

First: The name of the Corporation shall be TRW Inc.

Second: The principal office of the Corporation shall be located in Euclid, Cuyahoga County, Ohio.

Third: The Corporation is formed for the following purposes, and any of them:

1. To manufacture, in whole or in part, weld, repair, treat, finish, service, buy, purchase or otherwise acquire, invest in, own, mortgage, pledge, exchange, sell, assign and transfer or otherwise dispose of, trade, deal in and deal with, import and export, in every manner, goods, wares, merchandise, personal property, products, materials, and articles of every kind, class and description, for any commercial, industrial, military, scientific or other purpose.

2. To carry on and perform research, development, evaluation, investigation, planning, engineering, design, testing, technical studies, invention and consulting or other service, for any commercial, industrial, military, scientific or other purpose, and in any field or fields.

3. To maintain and operate manufacturing, testing and related equipment, chemical, physical and other laboratories, training schools and such other facilities as may be appropriate for the foregoing purposes and to carry on such activities.

4. To buy, purchase, or otherwise acquire, invest in, own, mortgage, pledge, exchange, sell, assign and transfer, or otherwise dispose of, trade, deal in and deal with real property of any description and any shares of capital stock or voting trust certificates in respect of shares of capital stock, scrip, warrants, bonds, debentures, notes, trust receipts and other securities, obligations, choses in action and evidences of indebtedness or interest, issued or created by any corporation, joint stock company, syndicate, association, firm, trust, government or person, public or private, and as owner thereof to possess and exercise all the rights, powers and privileges of ownership, and to do any and all acts and things necessary and advisable for the preservation, protection, improvement and enhancement in value thereof.

5. To enter into, make and perform contracts of every kind and description, including contracts of joint venture, with any firm, association, corporation, government or person, public or private.

6. To do all things necessary or incidental to any of the foregoing, including owning, holding and dealing, in every manner, in all real and personal property.

7. In general, to carry on any other lawful activity or business whatsoever in connection with the foregoing and the business of the Corporation, or which is calculated, directly or indirectly, to promote the interests of the Corporation or to enhance the value of its properties.

8. The foregoing shall be construed as purposes, objectives and powers, and nothing herein shall be deemed to limit or exclude in any manner any power, right or privilege now or hereafter given to the Corporation by law or any authority which it now or hereafter is permitted to exercise under the statutes of Ohio; provided, that nothing contained in this Article Third shall be construed as authorizing the Corporation to carry on the business of a public utility or railroad as defined by the public utility laws of Ohio or to engage in the practice of professional engineering or surveying.

The Corporation reserves the right at any time and from time to time to change substantially its purposes in any manner now or hereafter permitted by statute and an amendment to these Amended Articles of Incorporation changing substantially the purposes of the Corporation may be adopted. Any change of the purposes of the Corporation authorized or approved by the holders of shares entitled to exercise the proportion of the voting power of the Corporation now or hereafter required by statute for such authorization or approval shall be binding and conclusive upon every shareholder of the Corporation as fully as if such shareholder had voted therefor, and no shareholder, notwithstanding that he may have voted against such change of purposes, shall be entitled to payment by the Corporation of the fair cash value of his shares.

Fourth: The number of shares which the Corporation is authorized to have outstanding is 23,811,908, which shall be classified as follows:

61,908 shares of 4% Cumulative Preferred Stock of the par value of $100 each (hereinafter called "Cumulative Preferred Stock");

750,000 shares of Serial Preference Stock without par value (hereinafter called "Serial Preference Stock"); and

3,000,000 shares of Serial Preference Stock II without par value (hereinafter called "Serial Preference Stock II"); and

20,000,000 shares of Common Stock of the par value of $2.50 each (hereinafter called "Common Stock").

The shares of such classes of stock shall have the following express terms:

DIVISION A

Express Terms of Cumulative Preferred Stock

SECTION 1. The holders of record of shares of Cumulative Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors of the Corporation, dividends at the rate of but not exceeding four per cent (4%) per annum, payable quarterly on the fifteenth days of March, June, September and December in each year in preference to and in priority over dividends upon the Common Stock and all other shares junior to the Cumulative Preferred Stock. Such dividends shall be cumulative from the first day of the quarterly period beginning March 15, June 15, September 15 and December 15 in which such shares were originally issued; provided, however, that the quarterly dividend payable June 15, 1945, shall accrue and be cumulative only from May 15, 1945.

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SECTION 2. All or any part of the shares of Cumulative Preferred Stock are subject to call for redemption and may be redeemed by the Corporation at any time at the option of the Corporation upon notice mailed not less than thirty (30) nor more than sixty (60) days prior to the date fixed for such redemption, addressed to the holders of record of the shares of Cumulative Preferred Stock to be redeemed as shown by the books of the Corporation, and published in a newspaper of general circulation in the City of Cleveland, Ohio, and one of general circulation in the City of New York, New York, not less than thirty (30) nor more than sixty (60) days prior to such redemption date, at the redemption price of $110 per share if the date fixed for redemption is on or before June 15, 1948; $109 per share if such date is after June 15, 1948, but on or before June 15, 1951; $108 per share if such date is after June 15, 1951, but on or before June 15, 1955, and $107 per share if such date is after June 15, 1955, plus in each case, accrued unpaid dividends to the date fixed for redemption.

At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Cumulative Preferred Stock to be redeemed with any bank or trust company in the City of Cleveland, Ohio, or the City of New York, New York, having capital and surplus of more than Five Million Dollars ($5,000,000), named in such notice, directed to be paid to the respective holders of the shares of Cumulative Preferred Stock so to be redeemed, in amounts equal to the redemption price of all shares of Cumulative Preferred Stock so to be redeemed, on endorsement and surrender of the stock certificate or certificates held by such holders, and upon the making of such deposit such holders shall cease to be shareholders with respect to such shares, and after such notice shall have been given and such deposit shall have been made such holders shall have no interest in or claim against the Corporation with respect to such shares and shall be entitled only to receive such moneys from such bank or trust company without interest. In case less than all of the outstanding shares of Cumulative Preferred Stock are to be redeemed, the Corporation shall select by lot the shares so to be redeemed in such manner as shall be prescribed by its Board of Directors.

If the holders of shares of Cumulative Preferred Stock which shall have been called for redemption shall not, within ten years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof and to such holders.

All shares of Cumulative Preferred Stock redeemed by call shall be cancelled and not again issued.

SECTION 3. Upon any dissolution, liquidation or winding up of the Corporation the holders of shares of Cumulative Preferred Stock shall be entitled to receive, or to have deposited in trust for them as provided in Section 2 next preceding, out of the assets of the Corporation, whether from capital, surplus or from earnings, before any distribution of any assets shall be made to the holders of Common Stock or other shares junior to the Cumulative Preferred Stock, an amount which, in the case of involuntary dissolution, liquidation or winding up shall be equal to $100 per share plus accrued unpaid dividends to the date fixed for distribution, and in the case of voluntary dissolution, liquidation or winding up shall be equal to the respective redemption price specified in such Section 2 in effect at the date upon which the first distribution is made upon Cumulative Preferred Stock in connection with such voluntary dissolution, liquidation or winding up, as the case may be, including accrued unpaid dividends upon such shares computed to the date of distribution in lieu of the date fixed for redemption. The holders of Cumulative Preferred Stock shall be entitled to no further participation in any distribution.

SECTION 4. As long as any shares of Cumulative Preferred Stock shall be outstanding the Corporation shall on or before the first day of July in each year, beginning with July 1, 1946, use in the purchase or redemption of shares of Cumulative Preferred Stock an amount equal to (i) ten per cent (10%) of the consolidated net earnings of the Corporation and its subsidiaries for the preceding calendar year after deducting from such net earnings dividends actually paid upon the Cumulative Preferred Stock during such year, less if the Corporation so elects (ii) all amounts which the Corporation theretofore shall have expended in the purchase or redemption of Cumulative Preferred Stock in excess of the amounts required by this Section to be theretofore so expended, to

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the extent that such excess has not theretofore been deducted in computing the amounts so required to be expended during any previous period; provided that in no year shall the Corporation be required to so use more than $120,000, less the deduction provided in (ii) above. However, the Corporation may use in such redemption in any year for the purposes of this Section up to the full amount provided in clause (i) or $120,000, as the Corporation may elect.

Cumulative Preferred Stock redeemed pursuant to this Section shall be redeemed in the manner provided in Section 2 next preceding, but, notwithstanding the provisions of such Section 2, such shares shall be redeemed for the purposes of this Section at the redemption price of $107 per share plus accrued unpaid dividends to the date fixed for redemption. Nothing in this Section shall be deemed to limit the number of shares of Cumulative Preferred Stock which the Corporation may redeem pursuant to Section 2 next preceding or may purchase at any time or times.

On or before May 15th in each calendar year, beginning in 1946, the Corporation shall cause a firm of independent certified public accountants of recognized national standing, selected by the Board of Directors of the Corporation, to determine in writing the amount of the "consolidated net earnings" as herein defined of the Corporation and its subsidiaries for the preceding calendar year, and the amount, if any, required to be expended by the Corporation prior to the succeeding July 1st pursuant to the provisions of this Section after giving effect to the election of the Corporation, if any, to deduct amounts referred to in clause (ii) of the first paragraph of this Section; and on or before such latter date the Corporation shall file a copy of such written determination with each Transfer Agent of the Cumulative Preferred Stock. Each determination so made shall be binding and conclusive upon all shareholders of the Corporation. In each instance when written determination filed by the Corporation as hereinabove required by this paragraph shall disclose that the Corporation is required to expend funds pursuant to the provisions of this Section the Corporation shall, on or before August 1st in the same calendar year, file with each Transfer Agent of the Cumulative Preferred Stock a written statement signed by the Treasurer or an Assistant Treasurer of the Corporation disclosing the expenditures made by the Corporation in performance of the requirement.

All shares of Cumulative Preferred Stock purchased or redeemed as provided in this Section, including shares purchased or redeemed by the expenditure of amounts which were deducted in computing the amount the Corporation is required to expend in any year pursuant to this Section, shall be cancelled and not again issued.

SECTION 5. During any period or periods when the Corporation is in default in the payment of any quarterly dividend upon the Cumulative Preferred Stock the Corporation shall not purchase, otherwise than by redemption, any outstanding shares of Cumulative Preferred Stock except pursuant to a general offer or call for tenders made in writing to all holders of record of all shares of Cumulative Preferred Stock outstanding at the time of such offer or call; provided, however, that during any period when pursuant to the provisions of Section 4 next preceding the Corporation is required to use an amount which is not more than $25,000 in the purchase or redemption of Cumulative Preferred Stock, the Corporation may make purchases of Cumulative Preferred Stock to comply with such requirement without compliance with the foregoing provision of this Section.

SECTION 6. The holders of shares of Cumulative Preferred Stock shall not be entitled to vote or participate in meetings of shareholders of the Corporation except as hereinafter provided. If, and so often as, the Corporation shall be in default in the payment of six quarterly dividends at the rate of four per cent (4%) per annum on the shares of Cumulative Preferred Stock, whether or not earned or declared, the holders of shares of Cumulative Preferred Stock shall, as a class, be entitled to elect one-third of the members of the Board of Directors of the Corporation, but if the number of Directors to be elected when divided by three shall result in a fraction, such fraction shall be disregarded if less than one-half and shall be increased to one if more than one-half; provided, however, that the holders of shares of Cumulative Preferred Stock shall not have or exercise such voting right except at meetings of the shareholders for the election of Directors at which the holders of not less than thirty-five per cent (35%) of the outstanding shares of Cumulative Preferred Stock are present in person or by proxy; and provided further that the voting rights provided for herein when the same shall become vested shall remain so vested until all accrued unpaid dividends on the Cumulative Preferred Stock shall have been paid or declared and set apart for payment, whereupon the holders of

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the Cumulative Preferred Stock shall be divested of their voting rights in respect of subsequent elections of Directors, subject to the revesting of such rights in the event hereinabove specified in this Section.

The right to vote vested in the holders of record of shares of Cumulative Preferred Stock in the event of default as herein provided shall not deprive such holders of the exercise of any right that they may have at law, in equity or by statute to enforce any provision with respect to the shares of Cumulative Preferred Stock.

If, in the event of default entitling the holders of the Cumulative Preferred Stock to elect one-third of the Directors, as above provided, the annual meeting of shareholders of the Corporation shall for any reason not be held and Directors elected at the time specified therefor in the Code of Regulations of the Corporation, then a special meeting of the shareholders for the purpose of electing Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten per cent (10%) of the shares of Cumulative Preferred Stock at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders. At meetings so called, the only quorum requirement shall be the presence or representation thereat of the holders of thirty-five per cent (35%) of the shares of Cumulative Preferred Stock outstanding. At any such meeting the election of Directors to be elected by the holders of Common Stock or the holders of Cumulative Preferred Stock, as the case may be, shall be valid notwithstanding that a quorum of the outstanding shares of the other class may not have been present or represented thereat. Unless at such meeting the Directors elected by a class are elected to replace or renew the terms of Directors previously elected by that class, the Directors elected by that class shall constitute the Board of Directors of the Corporation until the other class shall act.

SECTION 7. Anything herein to the contrary notwithstanding, so long as any shares of Cumulative Preferred Stock shall be outstanding, the Corporation shall not, unless with the affirmative vote or written consent of the holders of record of at least a majority of the number of shares of Cumulative Preferred Stock at the time outstanding (but so far as the holders of shares of Cumulative Preferred Stock are concerned, the Corporation may, with such affirmative vote or written consent):

(a) Issue, guarantee or assume, or permit any subsidiary to issue, guarantee or assume, any funded debt other than funded debt issued by a subsidiary to and thereafter owned by the Corporation or one or more other subsidiaries; provided, however, that without such vote or consent:

(i) The Corporation or any foreign subsidiary may issue, guarantee or assume any funded debt if, as of a date not more than three months prior to such issuance, guarantee or assumption and after giving effect thereto and to the application of the proceeds thereof, the excess of consolidated net tangible assets of the Corporation and its subsidiaries, over consolidated current liabilities of the Corporation and its subsidiaries, would be not less than twice the aggregate of the outstanding consolidated debt (other than current liabilities) issued, guaranteed or assumed by the Corporation and its subsidiaries plus the aggregate involuntary liquidation price of the then outstanding Cumulative Preferred Stock, shares of the Corporation ranking on a parity with or having priority over the Cumulative Preferred Stock as to dividends or liquidation rights, and shares of each subsidiary not owned by the Corporation or another subsidiary having priority over the Common shares of such subsidiary as to dividends or liquidation rights; and

(ii) The Corporation or any subsidiary may issue, guarantee or assume any funded debt as a part of the purchase price paid by the Corporation or subsidiary, as the case may be, for property acquired or if the proceeds of such excepted debt are used in such acquisition or if such debt is or the proceeds thereof are used solely in the retirement of any such debt, but the amount of debt excepted by the provisions of this sub-paragraph (ii) shall not exceed 75% of the purchase price paid by the Corporation or subsidiary, as the case may be, for such property; and

(b) Create or issue any shares of stock having a parity with the shares of Cumulative Preferred Stock as to dividends or liquidation rights, or increase the authorized number of shares of Cumulative Preferred Stock beyond 60,000; or

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(c) Sell all or substantially all of its property and assets to or become a party to any statutory consolidation with, or statutory merger into, any other corporation, on any basis other than one which provides for the payment to the holders of Cumulative Preferred Stock of an amount equal to the respective redemption price specified in Section 2 of this subdivision in effect at the date of transfer of the Corporation's assets pursuant to such sale or the effective date of such consolidation or merger, including accrued unpaid dividends to the date of such payment to holders of Cumulative Preferred Stock in lieu of the date of redemption; provided, however, that nothing herein contained shall require such vote or consent in respect of the statutory consolidation of the Corporation with or the statutory merger of the Corporation into Thompson Aircraft Products Co. or a subsidiary of the Corporation or the statutory merger of Thompson Aircraft Products Co. or a subsidiary of the Corporation into the Corporation if

(i) the Corporation, or a corporation resulting from or surviving such consolidation or merger (hereinafter sometimes called the "New Corporation") will not have authorized or outstanding after such consolidation or merger shares of any class which shall rank on a parity with or have priority over the shares of Cumulative Preferred Stock as to dividends or liquidation rights, and

(ii) each holder of shares of Cumulative Preferred Stock shall be entitled to retain or receive immediately after such consolidation or merger the same number of shares of Cumulative Preferred Stock or new stock of the Corporation or the New Corporation as such holder held immediately prior to such merger or consolidation, which Cumulative Preferred Stock or new stock shall have the same express terms and provisions as the Cumulative Preferred Stock had immediately prior to such consolidation or merger, and

(iii) upon the consummation of such consolidation or merger the New Corporation shall not have outstanding any funded debt in excess of the amount which, conformably to the provisions of paragraph (a) of this Section, the New Corporation, if at the time it had no funded debt outstanding, would be entitled to issue immediately after the consolidation or merger; or

(d) Permit any subsidiary, other than a foreign subsidiary, to issue any shares of stock having priority over the Common shares of such subsidiary as to dividends or liquidation rights, or to issue, guarantee or assume any funded debt other than shares and debt issued to and thereafter owned by the Corporation or one or more other subsidiaries, other than a foreign subsidiary, and other than debt referred to under sub-paragraph (ii) of paragraph (a) above.

Anything herein to the contrary notwithstanding, so long as any shares of Cumulative Preferred Stock shall be outstanding the Corporation shall not, unless with the affirmative vote or written consent of the holders of record of at least two-thirds of the number of shares of Cumulative Preferred Stock at the time outstanding (but so far as the holders of the Cumulative Preferred Stock are concerned, the Corporation may with such consent or vote):

(e) Amend, alter or repeal any of the express terms and provisions of the Cumulative Preferred Stock, in any material respect prejudicial to the holders thereof; or

(f) Create any class of shares having priority over the shares of Cumulative Preferred Stock as to dividends or liquidation rights.

SECTION 8. The Corporation shall not declare or pay any dividend (other than dividends payable in Common Stock or other shares junior to the Cumulative Preferred Stock) on or make or permit any subsidiary to make any purchase of Common Stock or other shares of the Corporation junior to the Cumulative Preferred Stock, or distribute any of its assets to the holders thereof as such holders so long as:

(a) The Corporation shall be in default in the payment of all or any part of any quarterly dividend at the rate of four per cent (4%) per annum on the shares of Cumulative Preferred Stock for any previous quarterly dividend period, whether or not earned or declared, or shall have failed to pay or declare and appropriate surplus for the payment of the dividend upon the shares of Cumulative Preferred Stock for the current quarterly dividend period; or

(b) The Corporation shall be in default in expending amounts in the retirement of shares of Cumulative Preferred Stock as required by Section 4 next preceding; or

(c) The aggregate amount of such payments, purchases and distributions (other than dividends payable in Common Stock and other shares junior to the Cumulative Preferred Stock) theretofore made after December 31, 1944, together with the payment, purchase or distribution to be made, would exceed the aggregate of (i) the consolidated net earnings, less deficits, of the Corporation and its subsidiaries after December 31, 1944, plus (ii) the net consideration received by the Corporation after such date from the sale or other disposition of Common Stock and other shares junior to the Cumulative Preferred Stock or rights or warrants for any such stock or shares, plus (iii) the sum of $1,000,000; or

(d) The consolidated net current assets of the Corporation and its subsidiaries are, or after such payment, purchase or distribution would be, less than $125 per share of Cumulative Preferred Stock then outstanding not held in the treasury of the Corporation.

SECTION 9. For all purposes of this subdivision the following terms shall have the following meanings:

(a) The term "accrued unpaid dividends" with reference to the Cumulative Preferred Stock shall mean the amount which shall be equal to four per cent (4%) per annum upon the shares in question from the date when dividends became cumulative thereupon to date, less the amount of all dividends actually paid upon such shares.

(b) The term "subsidiary" shall mean every corporation more than 50% of whose stock or shares having voting power for the election of Directors are at the time directly, or indirectly through one or more intermediaries, owned by the Corporation or by one or more subsidiaries thereof, or by the Corporation and one or more subsidiaries, but shall not include Thompson Aircraft Products Co., an Ohio corporation presently existing, nor any subsidiary thereof. At any time the Corporation may elect, by writing delivered to each Transfer Agent of the Cumulative Preferred Stock, to include as subsidiaries, for the purposes of this subdivision, Thompson Aircraft Products Co. and its subsidiaries, if any, if such corporation and the subsidiaries to be included otherwise would fall within the foregoing definition. Such election shall be effective as at the first day of the Corporation's quarter-annual fiscal period next succeeding the date of delivery thereof to the Transfer Agent, and the exclusion of Thompson Aircraft Products Co. and its subsidiaries now provided in the foregoing definition shall become and remain inoperative on and after such effective date. The net earnings or earned deficit, as the case may be, of Thompson Aircraft Products Co. and its subsidiaries arising after December 31, 1944, shall as of the effective date above mentioned be included as earnings or losses, as the case may be, of the Corporation and its subsidiaries for the purposes of Section 8 (c) next preceding.

(c) The term "net earnings" shall mean gross earnings (including non-operating revenue) less all current and operating expenses, including wages and compensation, fixed charges, all interest, sales and administrative expenses, insurance, the amount of amortization of discount and expense on funded debt, all state, federal and local taxes, including income taxes of all kinds, and reasonable reserves for credit losses and other losses of every nature, depreciation and amortization of facilities, and any other items which under standard accounting practice should be charged against earnings.

(d) The term "net tangible assets" shall mean all assets at their net book values (after deducting related depreciation and other valuation reserves) including, without limitation, indebtedness and securities owned (including claim for postwar refund of excess profits taxes), and prepaid expenses, but excluding treasury stock, rights in patents, trade marks, good will, unamortized debt discount and expense and other items not herein mentioned treated as intangibles in accordance with standard accounting practice.

(e) The term "net current assets" shall mean the excess of current assets over current liabilities.

(f) The term "current assets" shall mean and include:

(i) Cash on hand or in banks;

(ii) Marketable securities (other than securities issued by the Corporation or its subsidiaries), not at the time pledged, taken at not more than their market value;

(iii) Good and collectible notes, trade acceptances, accounts and bills receivable if due and payable within one year from the date as of which current assets are being ascertained;

(iv) Obligations of the United States of America or any state, county or municipality therein, taken at not more than their market value, other than such obligations as are deducted from current liabilities in accordance with standard accounting practice;

(v) Goods manufactured, on hand and in process of manufacture, and materials and supplies on hand, taken at cost or market value, whichever is lower; and

(vi) Such other assets as should be classified as current assets in accordance with standard accounting practice.

(g) The term "current liabilities" shall mean and include V Loan Debt and all other indebtedness termed current liabilities in accordance with standard accounting practice, including taxes, wages, salaries, interest, rents, and royalties accrued as estimated, but shall not include any indebtedness other than V Loan Debt which shall not mature within one year from the date as of which current liabilities are determined. In determining the amount of liability for any tax there may be deducted therefrom all obligations which may be directly applied in payment of such tax.

(h) In computing "consolidated net earnings," "consolidated net current assets," and "consolidated net tangible assets" principles of consolidation conforming to standard accounting practice shall be applied.

The Corporation, by action of its Board of Directors, may designate a firm of independent certified public accountants of recognized national standing, selected by the Board of Directors of the Corporation, to determine the consolidated net tangible assets, consolidated net current assets or the consolidated net earnings, as herein defined, of the Corporation and its subsidiaries as of any date, and any determination so made shall be binding upon and conclusive as to all shareholders of the Corporation.

(i) The term "V Loan Debt" shall mean notes or other debt issued or incurred by the Corporation pursuant to the provisions of a Credit Agreement dated September 28, 1943, between the Corporation and various banks providing for loans to the Corporation guaranteed by the War Department of the United States and all notes or other debt issued or incurred by the Corporation or by any subsidiary pursuant to the provisions of any credit or loan agreement or arrangement the principal purpose of which is to provide funds in connection with war production or the carrying of receivables, inventories or claims with respect to terminated contracts relating to war production.

(j) The term "funded debt" shall mean any and all bonds, debentures, notes or similar debt which shall be payable after twelve months from the date as of which determination of funded debt is made. If the term of any such debt shall be subject to an option in the Corporation or any subsidiary, as the case may be, to extend (by way of renewal, refunding or otherwise) its maturity on any condition, the maturity thereof for the purpose of this subdivision shall be deemed to be the last date to which the maturity may be so extended. Without intending hereby otherwise to characterize debt which constitutes funded debt, such term shall in no case include any V Loan Debt or debt arising out of any lease or any contract for funding taxes or for making refunds to the Federal or any State Government, or any contract for the purchase or sale of materials, commodities or supplies in the ordinary course of business.

(k) No debt shall for any purpose of this subdivision be deemed to be a part of funded debt or other debt if moneys sufficient to pay or discharge such debt in

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full (either on the date of maturity expressed therein or on such earlier date as such debt may be duly called for redemption pursuant to the provisions of any instrument or agreement under which the same was issued) shall have been deposited with the proper depositary or trustee in trust for the payment thereof.

(l) The term "foreign subsidiary" shall mean any subsidiary which conducts substantially all of its business and has substantially all of its assets outside the United States of America.

(m) A class of stock shall be deemed to be "junior to the Cumulative Preferred Stock" if the Cumulative Preferred Stock has priority over such class with respect to dividend rights or liquidation rights.

SECTION 10. Holders of shares of Preferred Stock shall have no preemptive right to purchase or have offered to them for purchase any shares or other securities of the Corporation.

SECTION 11. Wherever reference is made in this subdivision to the doing of any act at the office of, or the filing of any statement with, the Transfer Agent or Agents for the shares of Cumulative Preferred Stock, such act may be done or the statement filed at the principal office of the Corporation in the event it shall have no Transfer Agent for such shares. All statements filed at such office or with any Transfer Agent for the shares of Cumulative Preferred Stock pursuant to the provisions hereof shall at all reasonable times be open to the inspection of record holders of shares of Cumulative Preferred Stock.

DIVISION B

Express Terms of Serial Preference Stock

Section 1. The Serial Preference Stock shall be deemed to be junior to the Cumulative Preferred Stock within the meaning of subparagraph (m) of Section 9 of Division A of this Article Fourth. The Serial Preference Stock may be issued from time to time in one or more series. All shares of Serial Preference Stock shall be of equal rank and shall be identical, except in respect of the particulars that may be fixed and determined by the Board of Directors as hereinafter provided, and each share of each series shall be identical in all respects with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Serial Preference Stock shall also be of equal rank and shall be identical with shares of Serial Preference Stock II except in respect of (1) the particulars that may be fixed and determined by the Board of Directors as hereinafter provided, (2) the amount which the holders of Serial Preference Stock of any series are entitled to receive in case of involuntary liquidation, dissolution or winding up of the affairs of the Corporation, as fixed and determined by Section 5(a)(ii) of this Division, and (3) the voting rights and provisions for consents relating to Serial Preference Stock, as fixed and determined by Section 6 of this Division. Subject to the provisions of Sections 2 to 8, both inclusive, of this Division, which provisions shall apply to all Serial Preference Stock, the Board of Directors hereby is empowered to cause the same to be issued in one or more series and with respect to each such series prior to the issuance thereof to fix and determine:

(a) The designation of the series, which may be by distinguishing number, letter or title.

(b) The number of shares of the series, which number may be increased (except where otherwise provided by the Board of Directors in creating the series) or decreased (but not below the number of shares thereof then outstanding) by like action of the Board of Directors.

(c) The annual dividend rate of the series.

(d) The dates at which dividends, if declared, shall be payable.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(g) The amounts payable on shares of the series in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation.

(h) Whether the shares of the series shall be convertible into Common Stock, and, if so, the conversion price or prices and the adjustments thereof, if any, and all other terms and conditions upon which such conversion may be made.

(i) Restrictions (in addition to those set forth in Sections 6(b) and 6(c) of this Division) on the issuance of shares of the same series or of any other class or series.

The Board of Directors is authorized to adopt from time to time amendments to the Articles of Incorporation of the Corporation fixing and determining, with respect to each such series, the matters described in clauses (a) to (i), both inclusive, of this Section 1.

Section 2. The holders of the Serial Preference Stock of each series, subject to the prior preference as to dividends of the Cumulative Preferred Stock, in preference to the holders of Common Stock and of any other class of shares ranking junior to the Serial Preference Stock, shall be entitled to receive out of any funds legally available for Serial Preference Stock and Serial Preference Stock II and when and as declared by the Board of Directors dividends in cash at the rate for such series fixed in accordance with the provisions of Section 1 of this Division and no more, payable quarterly on the dates fixed for such series. Such dividends shall be cumulative, in the case of shares of each particular series, from and after the date of issuance thereof. No dividends may be paid upon or declared or set apart for any of the Serial Preference Stock for any quarterly dividend period unless at the same time (i) a like proportionate dividend for the same quarterly dividend period, ratably in proportion to the respective annual dividend rates fixed therefor, shall be paid upon or declared or set apart for all Serial Preference Stock of all series then issued and outstanding and entitled to receive such dividend, and (ii) the dividend payable during the same quarterly dividend period upon all Serial Preference Stock II of all series then issued and outstanding at the rate and upon the date as fixed and determined by the Board of Directors as provided in Section 1 of Division C hereof shall be paid upon or declared or set apart for all such Serial Preference Stock II entitled to receive such dividend.

Section 3. In no event so long as any Serial Preference Stock shall be outstanding shall any dividends, except a dividend payable in Common Stock or other shares ranking junior to the Serial Preference Stock, be paid or declared or any distribution be made except as aforesaid on the Common Stock or any other shares ranking junior to the Serial Preference Stock, nor shall any Common Stock or any other shares ranking junior to the Serial Preference Stock be purchased, retired or otherwise acquired by the Corporation (except out of the proceeds of the sale of Common Stock or other shares ranking junior to the Serial Preference Stock received by the Corporation subsequent to January 1, 1964):

(a) Unless all accrued and unpaid dividends on Serial Preference Stock, including the full dividends for the current quarterly dividend period, shall have been declared and paid or a sum sufficient for payment thereof set apart; and

(b) Unless there shall be no arrearages with respect to the redemption of Serial Preference Stock of any series from any sinking fund provided for shares of such series in accordance with the provisions of Section 1 of this Division.

Section 4. (a) Subject to the express terms of each series, the Corporation may from time to time redeem all or any part of the Serial Preference Stock of any series at the time outstanding (i) at the option of the Board of Directors at the applicable redemption price for such series fixed in accordance with the provisions of Section 1 of this Division, or (ii) in fulfillment of the requirements of any sinking fund provided for shares of such series at the applicable sinking fund redemption price fixed in accordance with the provisions of Section 1 of this Division, together in each case with accrued dividends to the redemption date.

(b) Notice of every such redemption shall be mailed, postage prepaid, to the holders of record of the Serial Preference Stock to be redeemed at their respective addresses then

appearing on the books of the Corporation, and shall be published at least once in a newspaper of general circulation in the City of New York, New York, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption. At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Serial Preference Stock to be redeemed with any bank or trust company in the City of Cleveland, Ohio, or the City of New York, New York, having capital and surplus of more than Five Million Dollars ($5,000,000), named in such notice, directed to be paid to the respective holders of the shares of Serial Preference Stock so to be redeemed, in amounts equal to the redemption price of all shares of Serial Preference Stock so to be redeemed, on surrender of the stock certificate or certificates held by such holders, and upon the making of such deposit such holders shall cease to be shareholders with respect to such shares, and after such notice shall have been given and such deposit shall have been made such holders shall have no interest in or claim against the Corporation with respect to such shares and shall be entitled only to receive such moneys from such bank or trust company without interest. In case less than all of the outstanding shares of Serial Preference Stock are to be redeemed, the Corporation shall select by lot the shares so to be redeemed in such manner as shall be prescribed by its Board of Directors.

If the holders of shares of Serial Preference Stock which shall have been called for redemption shall not, within six years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof and to such holders.

(c) Any shares of Serial Preference Stock which are redeemed by the Corporation pursuant to the provisions of this Section 4 and any shares of Serial Preference Stock which are purchased and delivered in satisfaction of any sinking fund requirements provided for shares of such series and any shares of Serial Preference Stock which are converted in accordance with the express terms thereof shall be cancelled and not reissued. Any shares of Serial Preference Stock otherwise acquired by the Corporation shall resume the status of authorized and unissued shares of Serial Preference Stock without serial designation.

Section 5. (a) Subject to the provisions of Section 3 of Division A hereof, the holders of the Serial Preference Stock of any series shall, in case of liquidation, dissolution or winding up of the affairs of the Corporation, be entitled to receive in full out of the assets of the Corporation, including its capital, before any amount shall be paid or distributed among the holders of the Common Stock or any other shares ranking junior to the Serial Preference Stock:

(i) in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation, the amounts fixed with respect to shares of such series in accordance with Section 1 of this Division; or

(ii) in the event of any involuntary liquidation, dissolution or winding up of the affairs of the Corporation, $100 per share;

plus in either event an amount equal to all dividends accrued and unpaid thereon to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up of the affairs of the Corporation. In case the net assets of the Corporation legally available therefor are insufficient to permit the payment upon all outstanding shares of Serial Preference Stock and Serial Preference Stock II of the full preferential amount to which they are respectively entitled, then such net assets shall be distributed ratably to all outstanding shares of Serial Preference Stock and Serial Preference Stock II in proportion to the full preferential amount to which each such share is entitled.

After payment to holders of Serial Preference Stock of the full preferential amounts as aforesaid, holders of Serial Preference Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(b) The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or the sale, lease or conveyance of all or substantially all the property of the Corporation, shall not be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section 5.

Section 6. (a) The holders of Serial Preference Stock shall be entitled at all times to two votes for each share, and, except as otherwise provided herein or required by law, the holders of the Serial Preference Stock, the holders of Serial Preference Stock II and the holders of Common Stock of the Corporation shall vote together as one class on all matters, subject, however, to the special voting rights conferred upon the holders of Cumulative Preferred Stock as hereinabove provided in Sections 6 and 7 of Division A hereof and upon the holders of Serial Preference Stock II as hereinafter provided in Section 6 of Division C hereof.

If, and so often as, the Corporation shall be in default in the payment of the equivalent of six (6) full quarterly dividends on all shares of all series of Serial Preference Stock at the time outstanding, whether or not earned or declared, the holders of Serial Preference Stock of all series, voting separately as a class and in addition to all other rights to vote for Directors, shall be entitled to elect as herein provided, three (3) members of the Board of Directors of the Corporation; provided, however, that the holders of shares of Serial Preference Stock shall not have or exercise such special class voting rights except at meetings of the shareholders for the election of Directors at which the holders of not less than thirty-five per cent (35%) of the outstanding shares of Serial Preference Stock of all series then outstanding are present in person or by proxy; and provided further that the special class voting rights provided for herein when the same shall have become vested shall remain so vested until all accrued unpaid dividends on the Serial Preference Stock of all series then outstanding shall have been paid, whereupon the holders of the Serial Preference Stock shall be divested of their special class voting rights in respect of subsequent elections of Directors, subject to the revesting of such special class voting rights in the event hereinabove specified in this Section.

In the event of default entitling the holders of Serial Preference Stock to elect three (3) Directors as above specified, a special meeting of the shareholders for the purpose of electing such Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten per cent (10%) of the shares of Serial Preference Stock of all series at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders; provided, however, that the Corporation shall not be required to call such special meeting if the annual meeting of shareholders shall be held within ninety (90) days after the date of receipt of the foregoing written request from the holders of Serial Preference Stock. At any meeting at which the holders of the Serial Preference Stock shall be entitled to elect Directors, the holders of thirty-five per cent (35%) of the then outstanding shares of Serial Preference Stock of all series, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the members of the Board of Directors which the holders of the Serial Preference Stock are entitled to elect as hereinabove provided.

(b) The consent of the holders of at least two-thirds of the number of shares of Serial Preference Stock at the time outstanding given in person or by proxy, either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock are concerned, such action may be effected with such consent):

(i) Any amendment, alteration or repeal of any of the provisions of these Articles of Incorporation, as the same may at any time be amended, or of the Regulations of the Corporation which affects adversely the voting powers, rights or preferences of the holders of Serial Preference Stock or reduces the time for any notice to which the holders of Serial Preference Stock may be entitled; provided, however, that, for the purpose of this clause (i) only, neither the amendment of these Articles of Incorporation, as the same may at any time be amended, so as to authorize or create, or to increase the authorized amount of, Serial Preference Stock or of any shares of any class ranking on a parity with or junior to the Serial Preference Stock, nor the amendment of the provisions of the Regulations so as to increase the number of Directors of the Corporation, shall be deemed to affect adversely the voting powers, rights or preferences of the holders of the Serial Preference Stock; and provided further, that if such amendment, alteration or repeal affects adversely the rights or preferences of one or more but not all series of Serial Preference Stock at the time

outstanding, only the consent of the holders of at least two-thirds of the number of the shares of the series so affected shall be required;

(ii) The authorization or creation of, or the increase in the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to the Serial Preference Stock; or

(iii) The purchase or redemption (for sinking fund purposes or otherwise) of less than all of the Serial Preference Stock then outstanding except in accordance with a stock purchase offer made to all holders of record of Serial Preference Stock, unless all dividends upon all Serial Preference Stock then outstanding for all previous quarterly dividend periods shall have been declared and paid or funds therefor set apart and all accrued sinking fund obligations applicable thereto shall have been complied with.

(c) The consent of the holders of at least a majority of the number of shares of Serial Preference Stock at the time outstanding, given in person or by proxy either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock are concerned, such action may be effected with such consent):

(i) The sale, lease or conveyance by the Corporation of all or substantially all of its property or business or the voluntary parting with the control thereof, or its consolidation with or merger into any other corporation unless the corporation resulting from such consolidation or merger will have after such consolidation or merger no class of shares either authorized or outstanding ranking prior to or on a parity with the Serial Preference Stock except the same number of shares ranking prior to or on a parity with the Serial Preference Stock and having the same rights and preferences as the shares of the Corporation authorized and outstanding immediately preceding such consolidation or merger, and each holder of Serial Preference Stock immediately preceding such consolidation or merger shall receive the same number of shares, with the same rights and preferences, of the resulting corporation; or

(ii) The authorization of any shares ranking on a parity with the Serial Preference Stock or an increase in the authorized number of shares of Serial Preference Stock.

Section 7. The holders of the Serial Preference Stock shall have no pre-emptive right to purchase or have offered to them for purchase any shares or other securities of the Corporation, whether now or hereafter authorized.

Section 8. For the purposes of this Division B:

Whenever reference is made to shares "ranking prior to the Serial Preference Stock", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends or as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are given preference over the rights of the holders of Serial Preference Stock; whenever reference is made to shares "on a parity with the Serial Preference Stock", such reference shall mean and include all shares of Serial Preference Stock II and all other shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation rank on an equality (except as to the amounts fixed therefor) with the rights of the holders of Serial Preference Stock; and whenever reference is made to shares "ranking junior to the Serial Preference Stock" such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are junior and subordinate to the rights of the holders of the Serial Preference Stock.

DIVISION B-1

Express Terms of $4.25 Cumulative Preference Stock, Series A, Convertible on or before June 15, 1979

There is hereby established a first series of Serial Preference Stock to which the following provisions shall be applicable:

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Section 1. *Designation of Series.* The series shall be designated "$4.25 Cumulative Preference Stock, Series A, Convertible on or before June 15, 1979" (herein called "Series A Preference Stock").

Section 2. *Number of shares.* The number of shares of Series A Preference Stock is 565,410, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Board of Directors.

Section 3. *Dividend Rate.* The dividend rate for Series A Preference Stock is $4.25 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on the Series A Preference Stock shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The Series A Preference Stock shall not be redeemable by the Corporation prior to June 15, 1969. Thereafter the redemption prices for the Series A Preference Stock shall be as follows:

If the Redemption Date is During 12 Month Period Beginning June 15:	Redemption Price	If the Redemption Date is During 12 Month Period Beginning June 15:	Redemption Price
1969	$105.00	1975	$102.00
1970	104.50	1976	101.50
1971	104.00	1977	101.00
1972	103.50	1978	100.50
1973	103.00	1979 and	
1974	102.50	thereafter	100.00

Section 6. *Liquidation Rights.* The amount payable on Series A Preference Stock in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to June 15, 1969 shall be $105.00 per share and thereafter shall be an amount equal to the redemption price for Series A Preference Stock in effect on the distribution date.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, the Series A Preference Stock may at the option of the holder, at any time on or before June 15, 1979, or in the case of shares called for redemption before that date, then until and including the day prior to the date fixed for redemption (but not thereafter if payment of the redemption price has been duly provided for by the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series A Preference Stock may exercise the conversion privilege in respect thereof by delivering to any transfer agent of the Series A Preference Stock (a) the share to be converted, (b) written notice that the holder elects to convert such share and stating the name or names (with address) in which the stock certificate for Common Stock is to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to in this Section as the "conversion date." On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of the Series A Preference Stock surrendered for conversion, or on his written order, a certificate for the number of full shares of Common Stock issuable upon the conversion of such Series A Preference Stock and a check or cash in respect of any fraction of a share as provided in subparagraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series A Preference Stock or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of Series A Preference Stock. If more than one share of Series A Preference Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed

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on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any Series A Preference Stock, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $64.50 per share. The number of shares of Common Stock issuable upon conversion of one share of Series A Preference Stock shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) Except as provided in subparagraphs (C) and (E) below, whenever the Corporation shall issue or sell any Additional Shares as hereinafter defined for a consideration per share less than the conversion price then in effect, or without consideration, the conversion price in effect immediately prior to such issuance shall forthwith be adjusted to a price (computed to the nearest cent) determined by dividing

(1) an amount equal to the sum of (i) 3,553,321 shares, (ii) the number of shares of Common Stock delivered by the Corporation to Marlin-Rockwell Corporation and (iii) the number of shares of Common Stock delivered by the Corporation to Ross Gear and Tool Company, Inc. (the sum of such shares being herein called the "Base Shares"), multiplied by the initial conversion price of $64.50, plus the consideration, if any, received by the Corporation upon the issuance or sale of Additional Shares, by

(2) an amount equal to the Base Shares plus the number of Additional Shares which have been issued or sold;

provided, however, that, except as provided in subparagraph (B) (5) (iv) below, such adjustment shall be made only if the resulting quotient shall be less than the conversion price in effect immediately prior to the issue or sale of such Additional Shares.

(B) For the purposes of subparagraph (A) above, the following provisions shall be applicable:

(1) The term "Additional Shares" shall mean all shares of Common Stock issued by the Corporation in excess of the Base Shares, whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares now or hereafter held in the Corporation's treasury;

(ii) shares issued upon conversion of Series A Preference Stock;

(iii) shares issued under any stock option plan of the Corporation in effect on June 15, 1964 or pursuant to the exercise of any stock options heretofore granted by Marlin-Rockwell Corporation or Ross Gear and Tool Company, Inc.;

(iv) shares issued upon conversion of the 4⅞% Subordinated Debentures Due 1982 of the Corporation; and

(v) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares by the foregoing clauses (i) to (iv), inclusive or this clause (v) or on shares resulting from any subdivision or combination of shares so excluded.

(2) In the case of issuance or sale of Additional Shares for cash (including shares issued pursuant to the exercise of options or rights expiring in less than 60 days from the date of issue thereof), the consideration shall be deemed to be the cash proceeds received by the Corporation after deducting underwriting discounts or commissions and other expenses paid or incurred by the Corporation in connection therewith.

(3) In the case of issuance or sale of Additional Shares for a consideration other than cash, the amount of such consideration shall be deemed to be the fair value thereof as determined by the Board of Directors of the Corporation, for purposes of this subparagraph (B), irrespective of any accounting treatment.

(4) In the case of issuance of Additional Shares as a dividend, the shares shall be deemed to have been issued without consideration at the close of business on the dividend record date.

(5) If the Corporation issues options or rights (other than options or rights expiring in less than 60 days from the date of issue thereof) to subscribe for shares of Common Stock (excluding shares now or hereafter held in the Corporation's treasury and excluding shares issuable under any stock options referred to in clause (iii) of subparagraph (1) of this subparagraph (B)), or issues any securities (other than the Series A Preference Stock) convertible into or exchangeable for shares of Common Stock, and the consideration per share (determined as provided below) of the shares of Common Stock deliverable upon the exercise of such options or rights or upon such conversion or exchange is less than the conversion price in effect as to the Series A Preference Stock immediately prior to the issuance of such options, rights or convertible or exchangeable securities, or there shall be no consideration, then

(i) the aggregate number of shares of Common Stock deliverable under such options or rights (other than excluded options and rights) shall be considered to have been issued or sold at the time such options or rights were issued, and for a consideration equal to the minimum purchase price provided for in such options or rights, plus the consideration, if any (determined in the same manner provided in paragraphs (2) and (3) next preceding with respect to cash consideration and consideration other than cash) received by the Corporation for such options or rights;

(ii) the maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such securities shall be considered to have been issued at the time of issuance or sale of such securities and for a consideration equal to the consideration received by the Corporation for such securities, after deducting therefrom underwriting discounts or commissions and other expenses paid or incurred by the Corporation in connection with the issuance and sale of such securities, plus the additional consideration, if any (determined in the same manner provided in paragraphs (2) and (3) next preceding with respect to cash consideration and consideration other than cash) to be received by the Corporation upon the conversion or exchange thereof;

(iii) if at any time or from time to time prior to the expiration of such options or rights or of such conversion or exchange privileges, the number of shares of Common Stock deliverable upon exercise of such options, rights, or conversion or exchange privileges shall be increased beyond the number used in making the last computation under (i) or (ii) above with respect to such options, rights, or conversion or exchange privileges, or the consideration per share which was used in such computation shall be reduced, then the conversion price shall forthwith be readjusted to such conversion price as would have obtained had the adjustment made upon the issuance of such options, rights, or convertible or exchangeable securities been on the basis of such increased number of shares, or such reduced consideration, or both, as the case may be; and

(iv) on the expiration of such options or rights or the termination of such conversion or exchange privileges, with respect in either case to any shares involved in the computation previously made under (i), (ii), or (iii) above, the conversion price shall forthwith be readjusted to such conversion price as would have obtained had the adjustment made upon the issuance of such options, rights, or convertible or exchangeable securities been made on the basis of the issuance or sale of only the number of shares of Common Stock actually issued upon the exercise, plus the number of shares deliverable upon the subsequent exercise, of such options, rights, or conversion or exchange privileges.

(C) If the Corporation splits or combines the outstanding shares of Common Stock, the conversion price shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination.

(D) Whenever the conversion price is adjusted as herein provided, the Corporation shall forthwith place on file with each transfer agent of the Series A Preference Stock a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of Series A Preference Stock desiring an inspection thereof.

(E) No adjustment of the conversion price shall be made if the amount of such adjustment shall be less than 50¢, but in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with all adjustments so carried forward, shall amount to not less than 50¢. In case the Corporation shall at any time split or combine the outstanding shares of Common Stock, said amount of 50¢ (as theretofore decreased or increased) shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination, so as to appropriately reflect the same. For this purpose, a stock dividend of 25% or more shall be considered a split of the outstanding shares.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series A Preference Stock then outstanding shall have the right to convert such share into the same kind and amount of stock and other securities and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock of other securities or property into which the Series A Preference Stock shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of Series A Preference Stock for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of Series A Preference Stock shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the Series A Preference Stock converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series A Preference Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preference Stock.

(i) Upon conversion of Series A Preference Stock the stated capital of the Common Stock issued upon such conversion shall be the aggregate par value thereof, and the

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stated capital of the Corporation shall be correspondingly increased or reduced to reflect the difference between the stated capital of the Series A Preference Stock so converted and the stated capital of the Common Stock issued upon conversion.

(j) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by twenty-five per cent (25%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period; or

(3) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in any one or more of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of Series A Preference Stock, at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

DIVISION B-2

Express Terms of $5.00 Cumulative Preference Stock, Series B, Convertible on or before June 15, 1982

There is hereby established a second series of Serial Preference Stock to which the following provisions shall be applicable:

Section 1. *Designation of Series.* The series shall be designated "$5.00 Cumulative Preference Stock, Series B, Convertible on or before June 15, 1982" (herein called "Series B Preference Stock").

Section 2. *Number of Shares.* The number of shares of Series B Preference Stock is 85,054, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Board of Directors.

Section 3. *Dividend Rate.* The dividend rate for Series B Preference Stock is $5.00 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on the Series B Preference Stock shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The Series B Preference Stock shall not be redeemable by the Corporation prior to June 15, 1973. Thereafter the redemption prices for the Series B Preference Stock shall be as follows:

If the Redemption Date is During 12-Month Period Beginning June 15:	Redemption Price	If the Redemption Date is During 12-Month Period Beginning June 15:	Redemption Price
1973	$105.00	1978	$102.50
1974	104.50	1979	102.00
1975	104.00	1980	101.50
1976	103.50	1981 and thereafter	100.00
1977	103.00		

Section 6. *Liquidation Rights.* The amount payable on Series B Preference Stock in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to June 15, 1973 shall be $105.00 per share and thereafter shall be an amount equal to the redemption price for Series B Preference Stock in effect on the distribution date.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, the Series B Preference Stock may at the option of the holder, at any time on or before June 15, 1982, or in the case of shares called for redemption before that date then until and including the day prior to the date fixed for redemption (but not thereafter if payment of the redemption price has been duly provided for by

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the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series B Preference Stock may exercise the conversion privilege in respect thereof by delivering to any transfer agent of the Series B Preference Stock (i) the share to be converted, (ii) written notice that the holder elects to convert such share and stating the name or names (with address) in which the stock certificate for Common Stock is to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of the Series B Preference Stock surrendered for conversion, or on his written order, a certificate for the number of full shares of Common Stock issuable upon the conversion of such Series B Preference Stock and a check or cash in respect of any fraction of a share as provided in paragraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series B Preference Stock or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of Series B Preference Stock. If more than one share of Series B Preference Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any Series B Preference Stock, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $62.85 per share. The number of shares of Common Stock issuable upon conversion of one share of Series B Preference Stock shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) If the Corporation splits or combines the outstanding shares of Common Stock, the conversion price shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination. For this purpose, any stock dividend shall be considered a split of the outstanding shares.

(B) Whenever the conversion price is adjusted as herein provided the Corporation shall forthwith place on file with each transfer agent of the Series B Preference Stock a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of Series B Preference Stock desiring an inspection thereof.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series B Preference Stock then outstanding shall have the right to convert such share into the same kind and amount of stock and other securities

and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock or other securities or property into which the Series B Preference Stock shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of Series B Preference Stock for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of Series B Preference Stock shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the Series B Preference Stock converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series B Preference Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series B Preference Stock.

(i) Upon conversion of Series B Preference Stock the stated capital of the Common Stock issued upon such conversion shall be the aggregate par value thereof, and the stated capital of the Corporation shall be correspondingly increased or reduced to reflect the difference between the stated capital of the Series B Preference Stock so converted and the stated capital of the Common Stock issued upon conversion.

(j) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by twenty-five per cent (25%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period; or

(3) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in any one or more of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of Series B Preference Stock, at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

DIVISION C

Express Terms of Serial Preference Stock II

Section 1. The Serial Preference Stock II shall be deemed to be junior to the Cumulative Preferred Stock within the meaning of subparagraph (m) of Section 9 of Division A of this Article Fourth. The Serial Preference Stock II may be issued from time to time in one or more series. All shares of Serial Preference Stock II shall be of equal rank and shall be identical, except in respect of the particulars that may be fixed and determined

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by the Board of Directors as hereinafter provided, and each share of each series shall be identical in all respects with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Serial Preference Stock II shall also be of equal rank and shall be identical with shares of Serial Preference Stock except in respect of (1) the particulars that may be fixed and determined by the Board of Directors as hereinafter provided, and (2) the voting rights and provisions for consents relating to Serial Preference Stock II, as fixed and determined by Section 6 of this Division. Subject to the provisions of Sections 2 to 8, both inclusive, of this Division, which provisions shall apply to all Serial Preference Stock II, the Board of Directors hereby is empowered to cause the same to be issued in one or more series and with respect to each such series prior to the issuance thereof to fix and determine:

(a) The designation of the series, which may be by distinguishing number, letter or title.

(b) The number of shares of the series, which number may be increased (except where otherwise provided by the Board of Directors in creating the series) or decreased (but not below the number of shares thereof then outstanding) by like action of the Board of Directors.

(c) The annual dividend rate of the series.

(d) The date at which dividends, if declared, shall be payable.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(g) The amounts payable on shares of the series in the event of any liquidation, dissolution or winding up of the affairs of the Corporation.

(h) Whether the shares of the series shall be convertible into Common Stock, and, if so, the conversion price or prices and the adjustments thereof, if any, and all other terms and conditions upon which such conversion may be made.

(i) Restrictions (in addition to those set forth in Section 6(b) and 6(c) of this Division) on the issuance of shares of the same series or of any other class or series.

The Board of Directors is authorized to adopt from time to time amendments to the Articles of Incorporation of the Corporation fixing and determining, with respect to each such series, the matters described in clauses (a) to (i), both inclusive, of this Section 1.

Section 2. The holders of the Serial Preference Stock II of each series, subject to the prior preference as to dividends of the Cumulative Preferred Stock, in preference to the holders of Common Stock and of any other class of shares ranking junior to the Serial Preference Stock II, shall be entitled to receive out of any funds legally available for Serial Preference Stock II and Serial Preference Stock and when and as declared by the Board of Directors dividends in cash at the rate for such series fixed in accordance with the provisions of Section 1 of this Division and no more, payable quarterly on the dates fixed for such series. Such dividends shall be cumulative, in the case of shares of each particular series, from and after the date of issuance thereof. No dividends may be paid upon or declared or set apart for any of the Serial Preference Stock II for any quarterly dividend period unless at the same time (i) a like proportionate dividend for the same quarterly dividend period, ratably in proportion to the respective annual dividend rates fixed therefor, shall be paid upon or declared or set apart for all Serial Preference Stock II of all series then issued and outstanding and entitled to receive such dividend and (ii) the dividend payable during the same quarterly dividend period upon all Serial Preference Stock of all series then issued and outstanding at the rate and upon the date as fixed and determined by the Board of Directors as provided in Section 1 of Division B hereof shall be paid upon or declared or set apart for all such Serial Preference Stock entitled to receive such dividend.

Section 3. In no event so long as any Serial Preference Stock II shall be outstanding shall any dividends, except a dividend payable in Common Stock or other shares ranking junior to the Serial Preference Stock II, be paid or declared or any distribution be made except as aforesaid on the Common Stock or any other shares ranking junior to the Serial Preference Stock II, nor shall any Common Stock or any other shares ranking junior to the Serial Preference Stock II be purchased, retired or otherwise acquired by the Corporation (except out of the proceeds of the sale of Common Stock or other shares ranking junior to the Serial Preference Stock II received by the Corporation subsequent to January 1, 1964)

(a) Unless all accrued and unpaid dividends on Serial Preference Stock II, including the full dividends for the current quarterly dividend period, shall have been declared and paid or a sum sufficient for payment thereof set apart; and

(b) Unless there shall be no arrearages with respect to the redemption of Serial Preference Stock II of any series from any sinking fund provided for shares of such series in accordance with the provisions of Section 1 of this Division.

Section 4. (a) Subject to the express terms of each series, the Corporation may from time to time redeem all or any part of the Serial Preference Stock II of any series at the time outstanding (i) at the option of the Board of Directors at the applicable redemption price for such series fixed in accordance with the provisions of Section 1 of this Division, or (ii) in fulfillment of the requirements of any sinking fund provided for shares of such series at the applicable sinking fund redemption price fixed in accordance with the provisions of Section 1 of this Division, together in each case with accrued dividends to the redemption date.

(b) Notice of every such redemption shall be mailed, postage prepaid, to the holders of record of the Serial Preference Stock II to be redeemed at their respective addresses then appearing on the books of the Corporation, and shall be published at least once in a newspaper of general circulation in the City of New York, New York, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption. At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Serial Preference Stock II to be redeemed with any bank or trust company in the City of Cleveland, Ohio, or the City of New York, New York, having capital and surplus of more than Five Million Dollars ($5,000,000), named in such notice, directed to be paid to the respective holders of the shares of Serial Preference Stock II so to be redeemed, in amounts equal to the redemption price of all shares of Serial Preference Stock II so to be redeemed, on surrender of the stock certificate or certificates held by such holders, and upon the making of such deposit such holders shall cease to be shareholders with respect to such shares, and after such notice shall have been given and such deposit shall have been made such holders shall have no interest in or claim against the Corporation with respect to such shares and shall be entitled only to receive such moneys from such bank or trust company without interest. In case less than all of the outstanding shares of Serial Preference Stock II are to be redeemed, the Corporation shall select by lot the shares so to be redeemed in such manner as shall be prescribed by its Board of Directors.

If the holders of shares of Serial Preference Stock II which shall have been called for redemption shall not, within six years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof and to such holders.

(c) Any shares of Serial Preference Stock II which are redeemed by the Corporation pursuant to the provisions of this Section 4 and any shares of Serial Preference Stock II which are purchased and delivered in satisfaction of any sinking fund requirements provided for shares of such series and any shares of Serial Preference Stock II which are converted in accordance with the express terms thereof shall be cancelled and not reissued. Any shares of Serial Preference Stock II otherwise acquired by the Corporation shall resume the status of authorized and unissued shares of Serial Preference Stock II without serial designation.

Section 5. (a) Subject to the provisions of Section 3 of Division A hereof, the holders of the Serial Preference Stock II of any series shall, in case of liquidation, dissolution or winding up of the affairs of the Corporation, be entitled to receive in full out of the assets of the Corporation, including its capital, before any amount shall be paid or distributed among the holders of the Common Stock or any other shares ranking junior to the Serial Preference Stock II, the amounts fixed with respect to shares of such series in accordance with Section 1 of this Division, plus an amount equal to all dividends accrued and unpaid thereon to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up of the affairs of the Corporation. In case the net assets of the Corporation legally available therefor are insufficient to permit the payment upon all outstanding shares of Serial Preference Stock and Serial Preference Stock II of the full preferential amount to which they are respectively entitled, then such net assets shall be distributed ratably to all outstanding shares of Serial Preference Stock and Serial Preference Stock II in proportion to the full preferential amount to which each such share is entitled.

After payment to holders of Serial Preference Stock II of the full preferential amounts as aforesaid, holders of Serial Preference Stock II as such shall have no right or claim to any of the remaining assets of the Corporation.

(b) The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or the sale, lease or conveyance of all or substantially all the property of the Corporation, shall not be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section 5.

Section 6. (a) The holders of Serial Preference Stock II shall be entitled at all times to one vote for each share, and, except as otherwise provided herein or required by law, the holders of the Serial Preference Stock II, the holders of Serial Preference Stock and the holders of Common Stock shall vote together as one class on all matters, subject, however, to the special voting rights conferred upon the holders of Cumulative Preferred Stock as hereinabove provided in Sections 6 and 7 of Division A hereof and upon the holders of Serial Preference Stock as hereinabove provided in Section 6 of Division B hereof.

If, and so often as, the Corporation shall be in default in the payment of the equivalent of six (6) full quarterly dividends on all shares of all series of Serial Preference Stock II at the time outstanding, whether or not earned or declared, the holders of Serial Preference Stock II of all series, voting separately as a class and in addition to all other rights to vote for Directors, shall be entitled to elect as herein provided, three (3) members of the Board of Directors of the Corporation; provided, however, that the holders of shares of Serial Preference Stock II shall not have or exercise such special class voting rights except at meetings of the shareholders for the election of Directors at which the holders of not less than thirty-five per cent (35%) of the outstanding shares of Serial Preference Stock II of all series then outstanding are present in person or by proxy; and provided further that the special class voting rights provided for herein when the same shall have become vested shall remain so vested until all accrued unpaid dividends on the Serial Preference Stock II of all series then outstanding shall have been paid, whereupon the holders of the Serial Preference Stock II shall be divested of their special class voting rights in respect of subsequent elections of Directors, subject to the revesting of such special class voting rights in the event hereinabove specified in this Section.

In the event of default entitling the holders of Serial Preference Stock II to elect three (3) Directors as above specified, a special meeting of the shareholders for the purpose of electing such Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten per cent (10%) of the shares of Serial Preference Stock II of all series at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders; provided, however, that the Corporation shall not be required to call such special meeting if the annual meeting of shareholders shall be held within ninety (90) days after the date of receipt of the foregoing written request from the holders of Serial Preference Stock II. At any meeting at which the holders of the Serial Preference Stock II shall be entitled to elect Directors, the holders of thirty-five per cent (35%) of the then outstanding shares of Serial Preference Stock II of all series, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the members of the Board of Directors which the holders of the Serial Preference Stock II are entitled to elect as hereinabove provided.

(b) The consent of the holders of at least two-thirds of the number of shares of Serial Preference Stock II at the time outstanding given in person or by proxy, either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock II shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock II are concerned, such action may be effected with such consent):

(i) Any amendment, alteration or repeal of any of the provisions of these Articles of Incorporation, as the same may at any time be amended, or of the Regulations of the Corporation which affects adversely the voting powers, rights or preferences of the holders of Serial Preference Stock II or reduces the time for any notice to which the holders of Serial Preference Stock II may be entitled; provided, however, that neither the amendment of these Articles of Incorporation, as the same may at any time be amended, so as to authorize or create, or to increase the author-

ized amount of, Serial Preference Stock II or of any shares of any class ranking on a parity with or junior to the Serial Preference Stock II, nor the amendment of the provisions of the Regulations so as to increase the number of Directors of the Corporation, shall be deemed to affect adversely the voting powers, rights or preferences of the holders of the Serial Preference Stock II; and provided further, that if such amendment, alteration or repeal affects adversely the rights or preferences of one or more but not all series of Serial Preference Stock II at the time outstanding, only the consent of the holders of at least two-thirds of the number of the shares of the series so affected shall be required;

(ii) The authorization or creation of, or the increase in the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to the Serial Preference Stock II; or

(iii) The purchase or redemption (for sinking fund purposes or otherwise) of less than all of the Serial Preference Stock II then outstanding except in accordance with a stock purchase offer made to all holders of record of Serial Preference Stock II, unless all dividends upon all Serial Preference Stock II then outstanding for all previous quarterly dividend periods shall have been declared and paid or funds therefor set apart and all accrued sinking fund obligations applicable thereto shall have been complied with.

(c) The consent of the holders of at least a majority of the number of shares of Serial Preference Stock II at the time outstanding, given in person or by proxy either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock II shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock II are concerned, such action may be effected with such consent):

(i) The sale, lease or conveyance by the Corporation of all or substantially all of its property or business or the voluntary parting with the control thereof, or its consolidation with or merger into any other corporation unless the corporation resulting from such consolidation or merger will have after such consolidation or merger no class of shares either authorized or outstanding ranking prior to or on a parity with the Serial Preference Stock II except the same number of shares ranking prior to or on a parity with the Serial Preference Stock II and having the same rights and preferences as the shares of the Corporation authorized and outstanding immediately preceding such consolidation or merger, and each holder of Serial Preference Stock II immediately preceding such consolidation or merger shall receive the same number of shares, with the same rights and preferences, of the resulting corporation; or

(ii) The authorization of any shares ranking on a parity with the Serial Preference Stock II or an increase in the authorized number of shares of Serial Preference Stock II.

(d) Neither the consent of, nor any adjustment of the voting rights of, holders of shares of Serial Preference Stock II shall be required for an increase in the number of shares of Common Stock authorized or issued or for stock splits of the Common Stock or for stock dividends on any class of stock payable solely in Common Stock, and none of the foregoing actions shall be deemed to affect adversely the voting powers, rights or preferences of Serial Preference Stock II within the meaning and for the purpose of this Division C.

Section 7. The holders of the Serial Preference Stock II shall have no pre-emptive right to purchase or have offered to them for purchase any shares or other securities of the Corporation, whether now or hereafter authorized.

Section 8. For the purposes of this Division C:

Whenever reference is made to shares "ranking prior to the Serial Preference Stock II", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends or as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are given preference over the rights of the holders of Serial Preference Stock II; whenever reference is made to shares "on a parity with the Serial Preference Stock II", such reference shall mean and include all shares of Serial Preference Stock and all other shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation rank on an equality (except as to the amounts fixed

therefor) with the rights of the holders of the Serial Preference Stock II; and whenever reference is made to shares "ranking junior to the Serial Preference Stock II", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are junior and subordinate to the rights of the holders of the Serial Preference Stock II.

DIVISION C-1

Express Terms of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1

There is hereby established a first series of Serial Preference Stock II, to which the following provisions shall be applicable:

Section 1. *Designation of Series.* The series shall be designated "Cumulative Serial Preference Stock II, $4.40 Convertible Series 1" (herein called "Series 1").

Section 2. *Number of Shares.* The number of shares of Series 1 is 1,820,000, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Directors.

Section 3. *Dividend Rate.* The dividend rate for Series 1 is $4.40 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on Series 1 shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The shares of Series 1 shall not be redeemable by the Corporation prior to March 15, 1974. Thereafter the redemption prices for shares of Series 1 shall be as follows:

If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price	If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price
1974	$112.00	1977	$106.00
1975	110.00	1978 and thereafter	104.00
1976	108.00		

Section 6. *Liquidation Rights.* The amount payable on shares of Series 1 in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to March 15, 1974 shall be $112.00 per share and thereafter shall be an amount equal to the redemption price for shares of Series 1 in effect on the distribution date, and in the event of any involuntary liquidation, dissolution or winding up of the Corporation shall be $104.00 per share.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, shares of Series 1 may at the option of the holder at any time (or, in the case of shares called for redemption, then until and including the close of business on the date fixed for redemption but not thereafter if payment of the redemption price has been duly provided for by the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series 1 may exercise the conversion privilege in respect thereof by delivering to any transfer agent of Series 1 the share to be converted accompanied by written notice that the holder elects to convert such share. Conversion shall be deemed to have been effected immediately prior to the close of business on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of shares of Series 1 surrendered for conversion, or on his written order, a certificate for the number of full shares of

Common Stock issuable upon the conversion of such shares of Series 1 and a check or cash in respect of any fraction of a share as provided in paragraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series 1 or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of shares of Series 1. If more than one share of Series 1 shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any shares of Series 1, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $90.909 per share (this initial conversion price being herein called the "base conversion price"). The number of shares of Common Stock issuable upon conversion of one share of Series 1 shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) Except as provided in subparagraphs (C), (E) and (F) below, whenever the Corporation shall issue or sell any Additional Shares as hereinafter defined for a consideration per share less than the conversion price then in effect, or without consideration, the conversion price in effect immediately prior to such issuance shall forthwith be adjusted as follows:

(1) Multiply the base conversion price by the sum of (i) the total number of shares of Common Stock outstanding (excluding shares held in the Corporation's treasury) on November 16, 1967 and (ii) the total number of shares of Common Stock issuable on November 16, 1967 upon conversion of any shares of Serial Preference Stock then outstanding (the sum of such shares being herein called the "Base Shares"), then

(2) Add to the result so obtained the total consideration received by the Corporation for all Additional Shares, and then

(3) Divide such result by the sum of the number of Base Shares and the number of Additional Shares, disregarding in the quotient so obtained fractions of one cent;

provided, however, that such adjustment shall be made only if the resulting quotient shall be less than the conversion price in effect immediately prior to the issue or sale of such Additional Shares.

(B) For the purposes of subparagraph (A) above, the following provisions shall be applicable:

(1) The term "Additional Shares" shall mean all shares of Common Stock issued by the Corporation (whether or not the consideration therefor, if any, is less per share than the base conversion price) in excess of the Base Shares, whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares now or hereafter held in the Corporation's treasury;

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(ii) shares issued pursuant to any employees' stock purchase plan or any employees' stock option plan heretofore or hereafter adopted or approved by the shareholders of the Corporation and shares issued pursuant to any employees' stock purchase plan or employees' stock option agreement heretofore or hereafter assumed by the Corporation, including in the case of any plan or agreement covered by this clause (ii) shares of Common Stock issued upon the conversion of convertible securities so issued;

(iii) except as provided in paragraph (4) below, shares of Common Stock issued in connection with the acquisition by the Corporation of the properties, assets and business of another corporation, firm or other entity as a going concern (whether such acquisition is by way of a merger, combination or majority share acquisition or otherwise) and shares of Common Stock issued upon conversion of any convertible securities issued by the Corporation in connection with any such acquisition (as used herein, the terms "combination" and "majority share acquisition" shall have the meanings set forth in Section 1701.01 of the Ohio Revised Code); and

(iv) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares by the foregoing clauses (i), (ii) and (iii) or this clause (iv) or on shares resulting from any subdivision or combination of shares so excluded.

(2) In case of the issuance or sale of Additional Shares for cash, the consideration therefor shall be deemed to be the amount of cash received by the Corporation for such shares (or, if such Additional Shares are offered by the Corporation for subscription, the subscription price, or, if such Additional Shares are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred by the Corporation in connection therewith.

(3) Subject to the provisions of paragraph (4) below, in the case of issuance or sale of Additional Shares for a consideration other than cash, the amount of such consideration shall be deemed to be the fair value thereof as determined by the Directors of the Corporation, for purposes of this subparagraph (B), irrespective of any accounting treatment.

(4) Subject to clause (iii) of this paragraph (4):

(i) any shares of Common Stock issued in connection with any merger of IRC, Inc. into the Corporation shall constitute Additional Shares and shall be deemed to have been issued for a consideration equal to the conversion price in effect immediately prior to the issuance of such Additional Shares;

(ii) in the case of the issuance of any shares of Preference Stock II in connection with any merger of United-Carr Incorporated or IRC, Inc. into the Corporation, any shares of Common Stock into which such shares of Preference Stock II are initially convertible shall constitute Additional Shares and shall be deemed to have been issued at the time of the issuance of such shares of Preference Stock II for a consideration equal to the conversion price of Series 1 in effect immediately prior to the issuance of such shares of Preference Stock II; and

(iii) no shares of Common Stock covered by clauses (i) or (ii) of this paragraph (4) in excess of an aggregate of 1,221,569 shares (proportionately adjusted to reflect any split or combination of, or stock dividend paid on, the Common Stock prior to the effective dates of said mergers) shall at any time constitute Additional Shares.

(5) In the case of issuance of Additional Shares as a stock dividend of 15% or less, the shares shall be deemed to have been issued without consideration at the close of business on the dividend record date.

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(6) Subject to the provisions of paragraph (4) above, in the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation, the amount of consideration received by the Corporation shall be deemed to be the total of (a) the amount of consideration, if any, received by the Corporation upon the issuance of such other securities, plus (b) the amount of the consideration, if any, other than such other securities, received by the Corporation upon such conversion or exchange. In determining the amount of the consideration received by the Corporation upon the issuance of such other securities the amount of the consideration in cash and other than cash shall be determined pursuant to paragraphs (2) and (3) above. If securities of the same class or series of a class as such other securities were issued for different amounts of consideration (determined as above provided), or if some were issued for no consideration, then the amount of the consideration received by the Corporation upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the Corporation upon the issuance of all the securities of such class or series, as the case may be.

(C) If, at any time after November 16, 1967, the Corporation splits or combines the outstanding shares of Common Stock, then as of the close of business on the effective date of such split or combination the conversion price shall be proportionately decreased in the case of a split or increased in the case of a combination. A stock dividend of more than 15% shall be considered a stock split and the effective date shall be deemed to be the close of business on the dividend record date.

(D) Whenever the conversion price is adjusted as herein provided, the Corporation shall forthwith place on file with each transfer agent of shares of Series 1 a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of shares of Series 1 desiring an inspection thereof. The Corporation shall also cause a notice, stating that such adjustment has been effected and setting forth the adjusted conversion price, to be published at least once in a newspaper printed in the English language and customarily published at least once a day for at least five days in each calendar week, which shall be of general circulation in the Borough of Manhattan, the City of New York (herein called an "Authorized Newspaper").

(E) In the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation as provided in paragraph (6) of subparagraph (B) above, the conversion price shall be adjusted to reflect the issuance of such Additional Shares only on the 15th day of each calendar month to reflect all such conversions or exchanges through the preceding calendar month. Upon the redemption of any shares of Series 1, the conversion price shall be adjusted to reflect the issuance of such Additional Shares as of a date not earlier than the close of business on the fifth business day preceding the mailing of the notice of redemption.

(F) No adjustment of the conversion price shall be made if the amount of such adjustment shall be less than 50¢, but in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with all adjustments so carried forward shall amount to not less than 50¢. In case the Corporation shall at any time split or combine the outstanding shares of Common Stock, said amount of 50¢ (as theretofore decreased or increased) shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination, so as to appropriately reflect the same. For this purpose, a stock dividend of more than 15% shall be considered a split of the outstanding shares.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in

which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series 1 then outstanding shall have the right to convert such share into the same kind and amount of stock and other securities and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock or other securities or property into which shares of Series 1 shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of shares of Series 1 for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of shares of Series 1 shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the shares of Series 1 converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized and unissued stock or out of shares held in its treasury, for the purpose of effecting the conversion of shares of Series 1 such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series 1.

(i) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in either of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of shares of Series 1 at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

(j) In case the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by fifty per cent (50%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period, it shall cause notice thereof to be published at least once in an Authorized Newspaper.

DIVISION C-2

Express Terms of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2

There is hereby established a second series of Serial Preference Stock II, to which the following provisions shall be applicable:

Section 1. *Designation of Series.* The series shall be designated "Cumulative Serial Preference Stock II, $4.40 Convertible Series 2" (herein called "Series 2").

Section 2. *Number of Shares.* The number of shares of Series 2 is 410,000, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Directors.

Section 3. *Dividend Rate.* The dividend rate for Series 2 is $4.40 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on Series 2 shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The shares of Series 2 shall not be redeemable by the Corporation prior to March 15, 1974. Thereafter the redemption prices for shares of Series 2 shall be as follows:

If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price	If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price
1974	$112.00	1977	$106.00
1975	110.00	1978 and thereafter	104.00
1976	108.00		

Section 6. *Liquidation Rights.* The amount payable on shares of Series 2 in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to March 15, 1974 shall be $112.00 per share and thereafter shall be an amount equal to the redempton price for shares of Series 2 in effect on the distribution date, and in the event of any involuntary liquidation, dissolution or winding up of the Corporation shall be $104.00 per share.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, shares of Series 2 may at the option of the holder at any time (or, in the case of shares called for redemption, then until and including the close of business on the date fixed for redemption but not thereafter if payment of the redemption price has been duly provided for by the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series 2 may exercise the conversion privilege in respect thereof by delivering to any transfer agent of Series 2 the share to be converted accompanied by written notice that the holder elects to convert such share. Conversion shall be deemed to have been effected immediately prior to the close of business on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of shares of Series 2 surrendered for conversion, or on his written order, a certificate for the number of full shares of Common Stock issuable upon the conversion of such shares of Series 2 and a check or cash in respect of any fraction of a share as provided in paragraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series 2 or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of shares of Series 2. If more than one share of Series 2 shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any shares of Series 2, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $90.909 per share (this initial conversion price being herein called the "base conversion price"). The number of shares of Common Stock issuable upon conversion of one share of Series 2 shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) Except as provided in subparagraphs (C), (E) and (F) below, whenever the Corporation shall issue or sell any Additional Shares as hereinafter defined for a consideration per share less than the conversion price then in effect, or without consideration, the conversion price in effect immediately prior to such issuance shall forthwith be adjusted as follows:

(1) Multiply the base conversion price by the sum of (i) the total number of shares of Common Stock outstanding (excluding shares held in the Corporation's treasury) on November 16, 1967 and (ii) the total number of shares of Common Stock issuable on November 16, 1967 upon conversion of any shares of Serial Preference Stock then outstanding (the sum of such shares being herein called the "Base Shares"), then

(2) Add to the result so obtained the total consideration received by the Corporation for all Additional Shares, and then

(3) Divide such result by the sum of the number of Base Shares and the number of Additional Shares, disregarding in the quotient so obtained fractions of one cent;

provided, however, that such adjustment shall be made only if the resulting quotient shall be less than the conversion price in effect immediately prior to the issue or sale of such Additional Shares.

(B) For the purposes of subparagraph (A) above, the following provisions shall be applicable:

(1) The term "Additional Shares" shall mean all shares of Common Stock issued by the Corporation (whether or not the consideration therefor, if any, is less per share than the base conversion price) in excess of the Base Shares, whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares now or hereafter held in the Corporation's treasury;

(ii) shares issued pursuant to any employees' stock purchase plan or any employees' stock option plan heretofore or hereafter adopted or approved by the shareholders of the Corporation and shares issued pursuant to any employees' stock purchase plan or employees' stock option agreement heretofore or hereafter assumed by the Corporation, including in the case of any plan or agreement covered by this clause (ii) shares of Common Stock issued upon the conversion of convertible securities so issued;

(iii) except as provided in paragraph (4) below, shares of Common Stock issued in connection with the acquisition by the Corporation of the properties, assets and business of another corporation, firm or other entity as a going concern (whether such acquisition is by way of a merger, combination or majority share acquisition or otherwise) and shares of Common Stock issued upon conversion of any convertible securities issued by the Corporation in connection with any such acquisition (as used herein, the terms "combination" and "majority share acquisition" shall have the meanings set forth in Section 1701.01 of the Ohio Revised Code); and

(iv) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares by the foregoing clauses (i), (ii) and (iii) or this clause (iv) or on shares resulting from any subdivision or combination of shares so excluded.

(2) In case of the issuance or sale of Additional Shares for cash, the consideration therefor shall be deemed to be the amount of cash received by the Corporation for such shares (or, if such Additional Shares are offered by the Corporation for subscription, the subscription price, or, if such Additional Shares are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred by the Corporation in connection therewith.

(3) Subject to the provisions of paragraph (4) below, in the case of issuance or sale of Additional Shares for a consideration other than cash, the amount of such consideration shall be deemed to be the fair value thereof as determined by the Directors of the Corporation, for purposes of this subparagraph (B), irrespective of any accounting treatment.

(4) Subject to clause (iii) of this paragraph (4):

(i) any shares of Common Stock issued in connection with any merger of IRC, Inc. into the Corporation shall constitute Additional Shares and shall be deemed to have been issued for a consideration equal to the conversion price in effect immediately prior to the issuance of such Additional Shares;

(ii) in the case of the issuance of any shares of Preference Stock II in connection with any merger of United-Carr Incorporated or IRC, Inc. into the Corporation, any shares of Common Stock into which such shares of Preference Stock II are initially convertible shall constitute Additional Shares and shall be deemed to have been issued at the time of the issuance of such shares of Preference Stock II for a consideration equal to the conversion price of Series 2 in effect immediately prior to the issuance of such shares of Preference Stock II; and

(iii) no shares of Common Stock covered by clauses (i) or (ii) of this paragraph (4) in excess of an aggregate of 1,221,569 shares (proportionately adjusted to reflect any split or combination of, or stock dividend paid on, the Common Stock prior to the effective dates of said mergers) shall at any time constitute Additional Shares.

(5) In the case of issuance of Additional Shares as a stock dividend of 15% or less, the shares shall be deemed to have been issued without consideration at the close of business on the dividend record date.

(6) Subject to the provisions of paragraph (4) above, in the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation, the amount of consideration received by the Corporation shall be deemed to be the total of (a) the amount of consideration, if any, received by the Corporation upon the issuance of such other securities, plus (b) the amount of the consideration, if any, other than such other securities, received by the Corporation upon such conversion or exchange.

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In determining the amount of the consideration received by the Corporation upon the issuance of such other securities the amount of the consideration in cash and other than cash shall be determined pursuant to paragraphs (2) and (3) above. If securities of the same class or series of a class as such other securities were issued for different amounts of consideration (determined as above provided), or if some were issued for no consideration, then the amount of the consideration received by the Corporation upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the Corporation upon the issuance of all the securities of such class or series, as the case may be.

(C) If, at any time after November 16, 1967, the Corporation splits or combines the outstanding shares of Common Stock, then as of the close of business on the effective date of such split or combination the conversion price shall be proportionately decreased in the case of a split or increased in the case of a combination. A stock dividend of more than 15% shall be considered a stock split and the effective date shall be deemed to be the close of business on the dividend record date.

(D) Whenever the conversion price is adjusted as herein provided, the Corporation shall forthwith place on file with each transfer agent of shares of Series 2 a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of shares of Series 2 desiring an inspection thereof. The Corporation shall also cause a notice, stating that such adjustment has been effected and setting forth the adjusted conversion price, to be published at least once in a newspaper printed in the English language and customarily published at least once a day for at least five days in each calendar week, which shall be of general circulation in the Borough of Manhattan, the City of New York (herein called an "Authorized Newspaper").

(E) In the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation as provided in paragraph (6) of subparagraph (B) above, the conversion price shall be adjusted to reflect the issuance of such Additional Shares only on the 15th day of each calendar month to reflect all such conversions or exchanges through the preceding calendar month. Upon the redemption of any shares of Series 2, the conversion price shall be adjusted to reflect the issuance of such Additional Shares as of a date not earlier than the close of business on the fifth business day preceding the mailing of the notice of redemption.

(F) No adjustment of the conversion price shall be made if the amount of such adjustment shall be less than 50¢, but in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with all adjustments so carried forward shall amount to not less than 50¢. In case the Corporation shall at any time split or combine the outstanding shares of Common Stock, said amount of 50¢ (as theretofore decreased or increased) shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination, so as to appropriately reflect the same. For this purpose, a stock dividend of more than 15% shall be considered a split of the outstanding shares.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series 2 then outstanding shall have the right to convert such share into the same kind and amount of stock and other

securities and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock or other securities or property into which shares of Series 2 shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of shares of Series 2 for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of shares of Series 2 shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the shares of Series 2 converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized and unissued stock or out of shares held in its treasury, for the purpose of effecting the conversion of shares of Series 2 such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series 2.

(i) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in either of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of shares of Series 2 at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

(j) In case the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by fifty per cent (50%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period, it shall cause notice thereof to be published at least once in an Authorized Newspaper.

DIVISION D

Express Terms of Common Stock

The Common Stock shall be subject to the express terms of the Cumulative Preferred Stock and to the express terms of the Serial Preference Stock and any series thereof and to the express terms of the Serial Preference Stock II and any series thereof. Each share of Common Stock shall be equal to every other share of Common Stock; and the holders thereof shall be entitled to one vote for each share of such stock on all questions presented to the shareholders.

The holders of shares of Common Stock shall have no pre-emptive right to purchase or have offered to them for purchase any shares of Common Stock which at any time shall be required for issuance or be issued in fulfillment of the provisions of (a) the Corporation's 4⅞% Subordinated Debentures Due 1982 (convertible into Common Stock until August 1, 1967), or (b) any option or options or other rights to purchase Common Stock granted to officers and employees of the Corporation or any of its subsidiaries pursuant to any stock option or employees' stock purchase plan adopted or approved at any meeting of shareholders by a majority vote of the shareholders of the Corporation entitled to vote thereon, or (c) any series of the Corporation's Serial Preference Stock or Serial Preference Stock II.

Fifth: The Corporation may from time to time, pursuant to authorization by its Board of Directors and without action by the shareholders, purchase or otherwise acquire shares of the Corporation of any class; subject, however, to such limitation or restriction, if any, as is contained in the express terms of any class of shares of the Corporation outstanding at the time of such purchase or acquisition.

Sixth: Any and every statute of Ohio hereafter enacted whereby the rights, powers or privileges of corporations or of the shareholders of corporations organized under the laws of Ohio are increased or diminished or in any way affected, or whereby effect is given to the action taken by any number, less than all, of the shareholders of any such corporation, shall apply to the Corporation and shall be binding not only upon the Corporation but upon every shareholder of the Corporation to the same extent as if such statute had been in force on October 31, 1958, the time of merger of The Ramo-Wooldridge Corporation into the Corporation.

Seventh: These Amended Articles of Incorporation shall supersede and take the place of the heretofore existing Articles of Incorporation of the Corporation and all amendments thereto.

EXHIBIT B

FIRST DIRECTORS AND OFFICERS OF THE CORPORATION

PART I: DIRECTORS

Name	Address
For the term ending in 1968:	
R. F. Bacher	California Institute of Technology Pasadena, California
J. T. Brown	Mellon National Bank & Trust Company Pittsburgh, Pennsylvania
R. F. Mettler	One Space Park Redondo Beach, California
S. C. Pace	23555 Euclid Avenue Euclid, Ohio
E. P. Riley	23555 Euclid Avenue Euclid, Ohio
W. S. Vaughn	343 State Street Rochester, New York
For the term ending in 1969:	
J. H. Doolittle	5225 Wilshire Boulevard Los Angeles, California
S. Ramo	One Space Park Redondo Beach, California
H. A. Shepard	23555 Euclid Avenue Euclid, Ohio
For the term ending in 1970:	
J. A. Alexander	111 Monument Circle Indianapolis, Indiana
O. Chandler	Times Mirror Square Los Angeles, California
J. S. Webb	1100 Glendon Avenue Los Angeles, California
D. E. Wooldridge	4545 Via Esperanza Santa Barbara, California
L. B. Worthington	525 William Penn Place Pittsburgh, Pennsylvania
J. D. Wright	23555 Euclid Avenue Euclid, Ohio

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PART II: OFFICERS

Name	Title	Address
C. R. Allen	Vice President, Chief Financial Officer	23555 Euclid Avenue Euclid, Ohio
P. T. Angell	Vice President	23555 Euclid Avenue Euclid, Ohio
J. J. Antalek	Vice President	666 Garland Place Des Plaines, Illinois
I. A. Binder	Vice President	2196 Clarkwood Avenue Cleveland, Ohio
J. F. Bradley, Jr.	Assistant Vice President, Finance	23555 Euclid Avenue Euclid, Ohio
R. F. Britton	Assistant Secretary	23555 Euclid Avenue Euclid, Ohio
R. A. Burgin, Jr.	Vice President	23555 Euclid Avenue Euclid, Ohio
R. B. Corpening	Assistant Secretary	One Space Park Redondo Beach, California
R. E. Cummings	Vice President	1455 East 185th Street Cleveland, Ohio
E. B. Doll	Vice President	One Space Park Redondo Beach, California
W. R. Donnelly	Vice President	23555 Euclid Avenue Euclid, Ohio
J. E. Dunlap	Vice President	23555 Euclid Avenue Euclid, Ohio
E. M. Foley	Vice President	One Space Park Redondo Beach, California
E. E. Ford	Assistant General Counsel	23555 Euclid Avenue Euclid, Ohio
F. W. Hesse, Jr.	Vice President	One Space Park Redondo Beach, California
C. L. Kahlert	Vice President	8001 East Pleasant Valley Road Independence, Ohio
R. S. Kenerson	Vice President	402 Chandler Street Jamestown, New York
J. H. Kerr	Vice President and General Counsel	23555 Euclid Avenue Euclid, Ohio
W. G. King, Jr.	Assistant Treasurer	23555 Euclid Avenue Euclid, Ohio
R. J. Leaver	Assistant Secretary	1100 Glendon Avenue Los Angeles, California

Name	Title	Address
R. F. Mettler	Executive Vice President	One Space Park Redondo Beach, California
H. Q. North	Vice President	One Space Park Redondo Beach, California
Wilson H. Oelkers	Vice President	401 North Broad Street Philadelphia, Pennsylvania
C. W. Ohly	Vice President	34201 Van Dyke Avenue Warren, Michigan
S. C. Pace	Executive Vice President	23555 Euclid Avenue Euclid, Ohio
R. H. Palenschat	Assistant Controller	23555 Euclid Avenue Euclid, Ohio
P. E. Priest	Controller	23555 Euclid Avenue Euclid, Ohio
S. Ramo	Vice Chairman of the Board	One Space Park Redondo Beach, California
E. P. Riley	Executive Vice President	23555 Euclid Avenue Euclid, Ohio
P. W. Schuette	Secretary	23555 Euclid Avenue Euclid, Ohio
A. H. Schweitzer	Vice President	23555 Euclid Avenue Euclid, Ohio
J. H. Shaffer	Vice President	1875 Connecticut Avenue Washington, D.C.
H. A. Shepard	President	23555 Euclid Avenue Euclid, Ohio
N. G. Spoth	Vice President	P. O. Box 250 Minerva, Ohio
E. E. Stuart	Vice President, Treasurer, Assistant Secretary	23555 Euclid Avenue Euclid, Ohio
J. S. Webb	Executive Vice President	1100 Glendon Avenue Los Angeles, California
K. C. White	Vice President	23555 Euclid Avenue Euclid, Ohio
Q. T. Wiles	Vice President	1100 Glendon Avenue Los Angeles, California
J. D. Wright	Chairman of the Board and Chief Executive Officer	23555 Euclid Avenue Euclid, Ohio

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EXHIBIT C

TO

AGREEMENT OF MERGER

AMENDMENTS TO AMENDED ARTICLES OF INCORPORATION
OF TRW INC. TO BE PROPOSED FOR SHAREHOLDER ACTION
AT 1968 SHAREHOLDERS' MEETING

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1. The first paragraph of Article Fourth would be changed to read as follows:

"Fourth: The number of shares which the Corporation is authorized to have outstanding is 55,811,908, which shall be classified as follows:

"61,908 shares of 4% Cumulative Preferred Stock of the par value of $100 each (hereinafter called 'Cumulative Preferred Stock');

"750,000 shares of Serial Preference Stock without par value (hereinafter called 'Serial Preference Stock'); and

"5,000,000 shares of Serial Preference Stock II without par value (hereinafter called 'Serial Preference Stock II'); and

"50,000,000 shares of Common Stock of the par value of $1.25 each (hereinafter called 'Common Stock').

"Each share of Common Stock of the par value of $2.50 each heretofore authorized and issued is hereby changed into two shares of Common Stock of the par value of $1.25 each."

2. A new paragraph (d) would be added at the end of Section 6 of Division B of Article Fourth reading as follows:

"(d) Neither the consent of, nor any adjustment of the voting rights of, holders of shares of Serial Preference Stock shall be required for an increase in the number of shares of Common Stock authorized or issued or for stock splits of the Common Stock or for stock dividends on any class of stock payable solely in Common Stock, and none of the foregoing actions shall be deemed to affect adversely the voting powers, rights or preferences of Serial Preference Stock within the meaning and for the purpose of this Division B."

3. Clause (d) of Section 1 of Division C of Article Fourth would be changed to read as follows:

"(d) The date at which dividends, if declared, shall be payable and the dates from which dividends shall be cumulative."

4. The second sentence of Section 2 of Division C of Article Fourth would be changed to read as follows:

"Such dividends shall be cumulative, in the case of shares of each particular series, from and after the date of issuance thereof or from and after such other date or dates as may be fixed and determined by the Board of Directors by amendment to the Articles of Incorporation of the Corporation as provided in Section 1 of this Division C."

TRW-MGR-0067

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AMENDMENT TO AGREEMENT OF MERGER

THIS AMENDMENT dated December 27, 1967 ("this Amendment") to the Agreement of Merger dated November 28, 1967 (the "Agreement") by and between TRW Inc., an Ohio corporation of 23555 Euclid Avenue, Euclid, Ohio 44117 ("TRW"), and IRC, Inc., a Delaware corporation of 401 North Broad Street, Philadelphia, Pennsylvania 19108 ("IRC");

WITNESSETH:

WHEREAS, the Boards of Directors of TRW and IRC (such corporations being herein sometimes called the "Constituent Corporations") have deemed it advisable for the mutual benefit of the Constituent Corporations and their respective shareholders that the Agreement be amended as hereinafter set forth; and

WHEREAS, the Board of Directors of each Constituent Corporation has approved and adopted this Amendment;

NOW, THEREFORE, in accordance with the laws of Ohio and Delaware, TRW (which, as the surviving corporation in the merger, is herein sometimes called the "Corporation") and IRC have agreed and do hereby agree that the Agreement shall be amended in the following respects:

1. A new third unnumbered paragraph shall be added to Section 18.1 of the Agreement as follows:

Without limiting the generality of the foregoing paragraphs of this Section 18.1, and notwithstanding the provisions of Sections 1.2 and 12.1 and any other provision of this Agreement, TRW may, prior to the time the merger becomes effective, call a meeting of its shareholders and take other action to amend the TRW articles so that the TRW articles will be as set forth in Exhibit A attached hereto with the changes therein which are specified in Exhibit C attached hereto and hereby made a part hereof. In the event the TRW articles are so amended prior to the time the merger becomes effective, then Exhibit A, with the changes specified in Exhibit C, shall be (subject to further application of the provisions of this Section 18.1) the amended articles for all purposes of this Agreement. In such event, (a) the term "Common Stock" as used in this Agreement (other than in the first recital clause) shall at any particular time mean TRW Common Stock of the par value provided therefor in the TRW articles as at such time; (b) the figure "$2.50" in Article III shall be deemed to read "an amount equal to the par value"; and (c) there shall be added within the parenthetical phrase in clause (a) of Section 7.4, after the word "contemplated", the following:

". . . and in the manner of computing any additional equalizing cash dividend contemplated by clause (a)(ii)(C) of Article XI . . ."

2. (a) In subclause (ii) of clause (1) of Section 7(e)(A) of both of Divisions C-1 and C-2 of Article Fourth of Exhibit A to the Agreement, there shall be inserted in lieu of the words "then issuable", the following:

". . . issuable on November 16, 1967 . . ."

(b) In the first sentence of Section 7(e)(C) of both of Divisions C-1 and C-2 of Article Fourth of Exhibit A to the Agreement, there shall be inserted after the word "If" at the beginning of the sentence, the following:

". . ., at any time after November 16, 1967, . . ."

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3. A new Exhibit C shall be added to the Agreement as follows:

EXHIBIT C

TO

AGREEMENT OF MERGER

AMENDMENTS TO AMENDED ARTICLES OF INCORPORATION OF TRW INC. TO BE PROPOSED FOR SHAREHOLDER ACTION AT 1968 SHAREHOLDERS' MEETING

1. The first paragraph of Article Fourth would be changed to read as follows:

"FOURTH: The number of shares which the Corporation is authorized to have outstanding is 55,811,908, which shall be classified as follows:

"61,908 shares of 4% Cumulative Preferred Stock of the par value of $100 each (hereinafter called 'Cumulative Preferred Stock');

"750,000 shares of Serial Preference Stock without par value (hereinafter called 'Serial Preference Stock'); and

"5,000,000 shares of Serial Preference Stock II without par value (hereinafter called 'Serial Preference Stock II'); and

"50,000,000 shares of Common Stock of the par value of $1.25 each (hereinafter called 'Common Stock').

"Each share of Common Stock of the par value of $2.50 each heretofore authorized and issued is hereby changed into two shares of Common Stock of the par value of $1.25 each."

2. A new paragraph (d) would be added at the end of Section 6 of Division B of Article Fourth reading as follows:

"(d) Neither the consent of, nor any adjustment of the voting rights of, holders of shares of Serial Preference Stock shall be required for an increase in the number of shares of Common Stock authorized or issued or for stock splits of the Common Stock or for stock dividends on any class of stock payable solely in Common Stock, and none of the foregoing actions shall be deemed to affect adversely the voting powers, rights or preferences of Serial Preference Stock within the meaning and for the purpose of this Division B."

3. Clause (d) of Section 1 of Division C of Article Fourth would be changed to read as follows:

"(d) The date at which dividends, if declared, shall be payable and the dates from which dividends shall be cumulative."

4. The second sentence of Section 2 of Division C of Article Fourth would be changed to read as follows:

"Such dividends shall be cumulative, in the case of shares of each particular series, from and after the date of issuance thereof or from and after such other date or dates as may be fixed and determined by the Board of Directors by amendment to the Articles of Incorporation of the Corporation as provided in Section 1 of this Division C."

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IN WITNESS WHEREOF, TRW and IRC have caused their respective corporate seals to be hereunto affixed and these presents to be signed by their respective officers thereunto duly authorized as of the day and year first above written, but effective November 28, 1967.

TRW Inc. [CORPORATE SEAL]

[CORPORATE SEAL]

Attest:

Secretary

By E. E. Stewart
Vice President

And
Secretary

IRC, INC. [CORPORATE SEAL]

[CORPORATE SEAL]

Attest: Barry R. Spiegel
SECRETARY

By
PRESIDENT

And Barry R. Spiegel
SECRETARY

for IRC Bible

JONES, DAY, COCKLEY & REAVIS
1750 Union Commerce Building
Cleveland, Ohio 44115

Philadelphia, Pa.
December 11, 1967

E. E. Ford, Esq.
Assistant General Counsel
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Dear Mr. Ford:

Herewith for the official records of TRW the following:

1. Two fully executed copies of a letter dated November 28, 1967 from IRC to TRW dealing with The Robinson-Halpern Company matter;

2. Two fully executed copies of a letter dated November 28, 1967 from IRC to TRW dealing with Lehman Brothers;

3. Two fully executed counterparts of Agreement made on November 28, 1967 between Edward S. Weyl and TRW (Mr. Weyl's consulting contract);

4. Two fully executed counterparts of Agreement made on November 28, 1967 between Wilson H. Oelkers and TRW (Mr. Oelkers' employment contract). As I mentioned to you on the telephone late this afternoon, Exhibit B to the Oelkers' contract was not signed today by him;

5. Counterpart of the letter agreement dated November 28, 1967 between TRW and the stockholders of the "Charles Weyl group" executed by all parties save Mrs. Rossheim and Mrs. Day;

6. Two copies of my letter of even date to Mr. Stanton of Messrs. Drinker, Biddle & Reath respecting Item 5 above;

7. Ten counterparts of the letter agreement dated November 28, 1967 between TRW and the stockholders of the "Directorate group" which in the aggregate reflect execution by all parties save Mr. Wiley;

8. Two signed copies of our constructional letter of even date to Messrs. White and Williams;

9. Two fully executed counterparts of the Agreement of Merger.

Sincerely yours,

LEIGH B. TREVOR

LBT:km
Enc.

cc: T. R. Colborn, Esq.

November 28 , 1967

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Dear Sirs:

In connection with the Agreement of Merger between our two companies being executed as of the date hereof, we have, since the negotiations between us began, extinguished $40,000 out of a total indebtedness of $105,000 due us from the Robinson-Halpern Company of West Conshohocken, Pennsylvania, arising out of the purchase by that company of the assets of our Instrumentation and Systems Division in July of 1965, by accepting for said $40,000 of indebtedness 10,000 shares of common stock of Robinson-Halpern, and we have further agreed to extend two-thirds of the $65,000 balance of the indebtedness, which would be payable in July of 1968, so that one of such thirds will be payable in July of 1969 and one in July of 1970, with interest at 5% per annum.

Very truly yours,

IRC, Inc.

By _____
Wilson H. Oelkers,
President

Receipt of the foregoing information is hereby acknowledged.

TRW Inc.

By _____
Executive Vice President

IRC, Inc.
401 North Broad Street
Philadelphia, Pa. 19108
Area Code 215 WA 2-8900
TWX 215-569-9848

November 28 , 1967

AB

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Dear Sirs:

This is to confirm our previous advice to you that pursuant to a letter agreement dated October 9, 1967, we have paid to Lehman Brothers, and Lehman Brothers have accepted payment of, $70,000 as full compensation for all services theretofore rendered by Lehman Brothers to IRC, Inc., specifically including services as financial advisor and in connection with the exploration and possible development of acquisitions, mergers or similar transactions, whether or not IRC was to be the surviving corporation.

It is our understanding that you do not consider such transaction as an exception to our representation in Section 9.1(l) of the Agreement of Merger between our two companies to the effect that we have not incurred any obligation for broker's, finder's or similar fee or commission in connection with said Agreement of Merger or any of the transactions contemplated thereby.

Very truly yours,

IRC, Inc.

By _____
Wilson H. Oelkers,
President

The foregoing correctly
expresses the understanding
of the parties.

TRW Inc.

By _____
Executive Vice President

IRC, Inc.
401 North Broad Street
Philadelphia, Pa. 19108
Area Code 215 WA 2-8900
TWX 215-569-9848

AGREEMENT

THIS AGREEMENT made on the 28th day of November, 1967 between EDWARD S. WEYL, of Philadelphia, Pennsylvania, hereinafter called "Weyl," and TRW INC., an Ohio corporation, hereinafter called "TRW,"

WITNESSETH:

WHEREAS, Weyl is presently Chairman of the Board and General Counsel of IRC, INC., a Delaware corporation, hereinafter called "IRC," and IRC and TRW have this day entered into an Agreement of Merger (hereinafter called the "Agreement of Merger") whereby it is contemplated that IRC will be merged into TRW,

WHEREAS, on October 30, 1962 there was entered into pursuant to the IRC Post-Employment Benefit Plan, a contract between IRC and Weyl (a copy of which is attached hereto as Exhibit A and which is hereinafter called the "Post-Employment Benefit Agreement") whereby IRC is obliged to make certain monthly Post-Employment Benefit payments,

WHEREAS, the Board of Directors of IRC on April 25, 1967 formally resolved to continue Weyl's active employment beyond his normal retirement date,

WHEREAS, Weyl intends to terminate his employment and to retire from active employment under the IRC Non-Contributory Salaried Employees Retirement Plan and the IRC Contributory Biweekly Salaried Employees Retirement Plan on the first day of the calendar month immediately following the month in which the contemplated merger becomes effective,

WHEREAS, by reason of the provisions of said IRC retirement plans and his employment, Weyl, on termination of employment, will be entitled to receive certain annuity contract or contracts from the insurer under said plans entitling him to receive upwards of $6700.00 per year for life (part being for ten years certain and part being for five years certain), and

WHEREAS, TRW wishes to secure the benefit of Weyl's advice, skill, knowledge and counsel and Weyl is willing to act as a TRW consultant after his employment terminates,

NOW, THEREFORE, if the contemplated merger takes place, it is hereby mutually agreed as follows:

1. Weyl's employment shall terminate on the last day of the calendar month in which the contemplated merger becomes effective.

2. TRW shall take no action adversely affecting Weyl's rights under the IRC retirement plans recited in the preamble of this Agreement.

3. For a period of five years (hereinafter called the "consultation period") commencing with the first day of the calendar month immediately following the month in which the contemplated merger becomes effective, Weyl shall make himself available to perform and shall perform consulting services with respect to matters concerning the various businesses which, prior to the merger with TRW, were engaged in by IRC at the effective date of the merger or which have grown out of such businesses and with respect to the other businesses now and hereafter engaged in by the Electronics Group of TRW, as may from time to time be reasonably designated by the Board of Directors of TRW, the Executive Committee

of TRW or the Chairman of the Board, President or any Executive Vice President of TRW or by any other Vice President of TRW if such Vice President is authorized by TRW's Board of Directors or Executive Committee so to designate. Without limiting the generality of the foregoing, such consulting services may include services with respect to general business and administrative matters, general and patent legal matters, planning, marketing and purchasing. Weyl shall advise and assist TRW in a prompt, diligent and competent manner according to his own means and methods of work at such times as are mutually convenient. Weyl represents and warrants that he will be an independent contractor prior to the first day of the consultation period and that his performance of his consulting services hereunder shall be as an independent contractor. Nothing herein is intended to or shall be construed as making Weyl an employee of TRW or conferring on him any rights, privileges or benefits as an employee of TRW. Weyl's work base shall be in the Philadelphia area and TRW shall provide appropriate office space for him there and secretarial services as required.

4. Weyl shall not be required to spend in excess of one-half of a normal full-time work schedule in any one year in connection with the consulting services required pursuant to Paragraph 3. Time voluntarily spent by Weyl in excess of that amount in connection with such consulting services shall not entitle him to extra compensation.

5. For availability to serve and for services as a consultant as provided in Paragraph 3, TRW shall (A) within one month after the first day of the consultation period make an initial payment to Weyl equal to $15,000.00 multiplied

by a fraction whose numerator is the number of days elapsed from January 1, 1968 to the day before the first day of the consultation period and whose denominator is 366, and (B) pay to Weyl a consulting fee at the rate of $5,417.00 per month from the first day of the consultation period to the earlier of (i) the last day of the consultation period or (ii) the effective date of an earlier termination of this consultation agreement. The amounts to be paid to Weyl pursuant to the preceding sentence shall be reduced by any amounts paid to Weyl with respect to the year 1968 under the IRC Profit-Sharing Bonus Plan for Top Management. The consulting fee shall be payable monthly not later than the last business day of the month to which the payment is applicable. TRW shall also reimburse Weyl for reasonable travel expenses for travel done at the request of TRW and for the other out-of-pocket expenses reasonably incurred by Weyl in connection with rendering services as a consultant as provided in Paragraph 3. Weyl shall submit expense accounts not later than promptly after the end of each month for expenses incurred during such month.

If Weyl becomes disabled or is unable for any other reason to perform his duties as a consultant hereunder and has not breached any of the covenants set forth in Paragraph 7 or his obligation to serve TRW in the manner specified in Paragraph 3, the monthly consulting fee provided for in Paragraph 5 shall be continued during the first three months of his inability at the rate therein specified, during the next thirty-nine months at 40% of such rate, during the next six months at 15% of such rate, and thereafter Weyl shall receive no consulting fee until such time as he is again able to perform his duties. If Weyl shall die during the

consultation period and if he has not breached any of the covenants set forth in Paragraph 7 or his obligation to serve TRW in the manner specified in Paragraph 3, the monthly consulting fee provided for in Paragraph 5 shall be continued to be paid until the end of the calendar year during which such event occurs.

7. Weyl covenants that,

A. He will not, during the period he is employed by TRW or during the period he is a consultant for TRW hereunder and for one year thereafter, engage directly or indirectly (either as principal or as agent, or through any corporation, firm or other organization in which he may be an officer, director, employee, substantial shareholder, partner, member or be otherwise affiliated) in any phase of any business carried on by IRC, and he will not, while employed by TRW or while consulting for TRW and for one year thereafter, engage, directly or indirectly as aforesaid, in the manufacture or sale of any product made or sold by IRC. As used in this paragraph the terms "business" and "product" mean any business or product the same as or similar to any engaged in or sold by IRC at the effective date of the contemplated merger, and/or which has developed into or grown out of any such business or product from and after the effective date of such merger to the date he ceases to be a consultant for TRW, and/or any other business engaged in, or product manufactured by, any Division of the Electronics Group of TRW with which he has consulted. The foregoing agreement in this paragraph shall extend into each state, each county, each municipality

and/or each competitive geographical area, if such area overlaps each or any of the foregoing, in which TRW manufactures or sells or into which it ships, at the time he ceases to be a consultant for TRW, any of the aforesaid products; and

B. He will not, during the period he is employed by TRW or during the period he is a consultant for TRW hereunder, or at any time after the period he is a consultant, use for himself or others or divulge or convey to others, except as required in performing his duties to TRW, any secret or confidential information, knowledge or data of TRW obtained by him during the period of employment with IRC or TRW or during the period he is a consultant for TRW hereunder, or any secret or confidential information, knowledge or data of third parties obtained by him in the course of employment with IRC or TRW or during the period he is a consultant for TRW hereunder. Such information, knowledge or data includes, but is not limited to, secret or confidential matters (a) of a technical nature such as, but not limited to, methods, know-how, formulae, compositions, processes, discoveries, machines, inventions, or research projects, (b) of a business nature, such as, but not limited to, information about costs, profits, markets, sales, or lists of customers and (c) pertaining to future development. On termination of his duties hereunder or at any time on TRW's request, he agrees to deliver promptly to TRW all drawings, blueprints, manuals, letters, notes, notebooks, reports, sketches, formulae, memoranda and all other materials (and all copies thereof) relating to TRW's business in any way

obtained by him during the period of employment with IRC or TRW or during the period he is a consultant for TRW hereunder which are in possession of or under his control.

8. In addition to all amounts that are payable under this Agreement, TRW hereby acknowledges that it will, as successor to the obligations of IRC under the Agreement of Merger, be obligated to pay Post-Employment Benefits in accordance with the terms of the Post-Employment Benefit Agreement and the IRC Post-Employment Benefit Plan, TRW's obligation to pay such Post-Employment Benefits being separate and apart from the terms of this Agreement, and not conditioned upon performance by Weyl of promises or the fulfillment of covenants under this Agreement; provided, however, that the beginning of monthly payments of Post-Employment Benefits (determined by Section 2.2 of the IRC Post-Employment Benefit Plan incorporated by reference in Paragraph 6 of the Post-Employment Benefit Agreement) shall be deferred to a date which is one month after the earlier of (i) the last day of the consultation period or (ii) the effective date of an earlier termination of this Agreement. Except as modified by this Paragraph 8, the right to such payments, the amount of each payment, the number of such payments, the conditions of such payments, and the disposition of payments falling due after death and all other terms shall be as provided for in the Post-Employment Benefit Agreement and its incorporation by reference of the provisions of the IRC Post-Employment Benefit Plan.

9. The obligation of Weyl hereunder to be available to perform and to perform consulting services may be terminated by him at any time after one year

subsequent to the effective date of the contemplated merger by giving at least six months notice. TRW may terminate its obligation to engage Weyl as a consultant if Weyl breaches any of the covenants set forth in Paragraph 7 or his obligation to serve TRW in the manner specified in Paragraph 3. Upon a termination by Weyl or by TRW, Weyl shall thereafter not be entitled to receive the consulting fee, to be reimbursed for expenses, or to be provided with office space and secretarial services.

10. Any assumption by TRW of the obligations of IRC by operation of law or otherwise pursuant to the Agreement of Merger notwithstanding, this Agreement contains the whole agreement between the parties and there are no other terms, obligations or rights, express or implied except as set forth herein.

11. This Agreement shall inure to the benefit of and be binding upon Weyl, his executors, administrators, legatees, distributees and other successors, but neither this Agreement nor any right hereunder may be assigned by Weyl and any attempted assignment shall be null and void. This Agreement shall inure to the benefit of and be binding upon TRW, its successors and assigns; provided, however, that except with the prior written consent of Weyl, TRW shall not assign this Agreement nor any right hereunder other than in connection with the direct or indirect transfer of all or a major portion of its business by merger, sale of assets, sale of stock or otherwise.

12. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of Pennsylvania.

13. The invalidity or unenforceability of any provision of this Agreement

TRW

OFFICE OF COUNSEL

August 7, 1970

Mr. Edward S. Weyl
3827 The Oak Road
Philadelphia, Pennsylvania 19129

Dear Mr. Weyl:

Thank you for your letter of July 17, 1970 advising us of your change of address. This will acknowledge receipt of such letter, and the fact that we have changed your records to show that your address, under clause (b) of paragraph 14, is now to be:

The Kenilworth
Apartment 306
Philadelphia, Pennsylvania 19144.

Very truly yours,

W. A. Hancock
Counsel

WAH:mm
cc: J. S. Webb

or the invalidity or unenforceability of any provision of this Agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this Agreement or the other applicability of such provision, as the case may be.

14. Any notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered to the President or a Vice President or the Secretary or an Assistant Secretary of TRW, or to Weyl, as the case may be, or when delivered to or received by mail at the following address:

(a) If to TRW:

TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117
Attention: Secretary

(b) If to Weyl:

Edward S. Weyl, Esq.
3827 Oak Road
Philadelphia, Pennsylvania 19129

or at such other address as either party may notify the other.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date above written.

Edward S. Weyl

TRW INC.

By
Executive Vice President

ATTEST:

Assistant Secretary

(July 1962)

CONTRACT
PURSUANT TO
"IRC POST-EMPLOYMENT BENEFIT PLAN"

INTERNATIONAL RESISTANCE COMPANY, a Delaware corporation, hereinafter called "IRC", and

* EDWARD S. WEYL

* of PHILADELPHIA, PENNSYLVANIA

hereinafter called "Participant", each intending to be bound,
* this 30th day of October 1962,

AGREE:

1. Incorporation of Plan by Reference. This contract is entered into pursuant to the "IRC Post-Employment Benefit Plan" (hereinafter called "the Plan") adopted by IRC's Board of Directors on January 30, 1962, and ratified by IRC's stockholders on May 1, 1962. A copy of the Plan is attached to this contract and all of its applicable provisions, including those not expressly referred to in this contract, are hereby incorporated in this contract by reference.

2. Representations. IRC and Participant mutually represent, within their respective spheres of knowledge, that Participant, upon the signing of this agreement by the parties, will have satisfied all the requirements for eligibility and participation set forth in section 1.3 of the Plan.

3. Consultation Services. Participant hereby expressly binds himself to render the consultation services set forth in section 1.4 of the Plan, upon the terms and subject to the conditions set forth in that section, during the period of time specified in that section.

4. Covenants. Participant covenants that

A. during the period of his employment by the Enterprise ("Enterprise" being as defined in section 1.1 of the Plan),

(i) he shall not work for any other employer except as either IRC's Board of Directors or the Board's Executive Committee may request or permit; and

(ii) he shall not engage in any other business in any capacity except with the prior consent of either the Board or the Board's Executive Committee; and

B. during and after the end of his employment by the Enterprise he shall not disclose or utilize to the detriment of the Enterprise any knowledge acquired by him at any time about the operations of the Enterprise.

5. Retirement. Participant hereby expressly accepts the retirement provisions set forth in section 1.6 of the Plan.

6. Post-Employment Benefits. IRC hereby expressly binds itself to pay Post-Employment Benefits (as defined in section 2.2 of the Plan) to the Participant and/or his Beneficiaries (as defined in section 2.3 of the Plan) upon the terms and subject to the conditions of sections 2.1, 2.2 and 2.3 of the Plan.

INTERNATIONAL RESISTANCE COMPANY

By s/ Walter W. Slocum
President

Corporate Seal

Attest: s/ Margaret M. Carey
Assistant Secretary

s/ [signature] (SEAL)
Participant

October 30, 1962

TO: International Resistance Company
Philadelphia, Pa.

In accordance with Section 2.3 of the "IRC Post-Employment Benefit Plan" and in accordance with Section 6 of my contract, dated October 30, 1962, in pursuance of the Plan, I hereby designate the following as beneficiary to receive all payments, if any, which become due under the agreement at or after my death:

JANE WEYL, wife, and/or in the event of her death, the executors of my estate.

Witness: Edward S. Weyl

s/ Louise Kaspar

* * * * * * * * * * * *

International Resistance Company hereby accepts the above beneficiary designation.

INTERNATIONAL RESISTANCE COMPANY

By s/ Edward A. Stevens
Vice President

EXHIBIT A

TRW-MGR-0087

March 21, 1963

TO: International Resistance Company
Philadelphia, Pa.

In accordance with Section 2.3 of the "IRC Post-Employment Benefit Plan" and in accordance with Section 6 of my contract, dated October 30, 1962, in pursuance of the Plan, I hereby designate the following as beneficiary to receive all payments, if any, which become due under the agreement at or after my death:

> JANE WEYL, wife, and/or in the event of her death, Provident Tradesmens Bank and Trust Company, as trustee under Agreement of Trust, dated March 21, 1963, between Jane Weyl, as settlor, and Provident Tradesmens Bank and Trust Company, as trustee.

I hereby revoke my earlier designation of beneficiaries, dated October 30, 1962.

s/ Edward S. Weyl
Edward S. Weyl

Witness:
s/ Louis Kaspar

TRW-MGR-0088

* * * * * * * * * * * * *

International Resistance Company hereby accepts the above beneficiary designation.

INTERNATIONAL RESISTANCE COMPANY

By s/ Edward A. Stevens
Vice President

EXHIBIT A

IRC Bible

AGREEMENT

THIS AGREEMENT made on the 28th day of November, 1967 between WILSON H. OELKERS of Philadelphia, Pennsylvania, hereinafter called "Oelkers," and TRW INC., an Ohio corporation, hereinafter called "TRW,"

40

WITNESSETH:

WHEREAS, Oelkers is presently employed as the President of IRC, INC., a Delaware corporation, hereinafter referred to as "IRC," and IRC and TRW have this day entered into an Agreement of Merger, hereinafter referred to as the "Agreement of Merger," whereby it is contemplated that IRC will be merged into TRW,

WHEREAS, there is presently in effect an employment agreement between Oelkers and IRC dated April 15, 1963, as amended through December 5, 1966 (a copy of which is attached hereto as Exhibit A and which is hereinafter referred to as the "IRC Employment Agreement"), providing for certain employment and post employment benefits,

WHEREAS, as an employee and officer of IRC, Oelkers has enjoyed certain employee fringe benefits, namely, participation in IRC's Profit-Sharing Bonus Plan for Top Management, eligibility under IRC Non-Contributory Salaried Employees Retirement Plan and IRC Contributory Biweekly-Salaried Employees Retirement Plan, coverage under IRC's non-contributory and contributory group life insurance programs, coverage under IRC's contributory major medical insurance program, and coverage under IRC's disability plan for principal officers,

WHEREAS, as a former employee of Philco Corporation, Oelkers is entitled to receive in installments during approximately the next six years, subject to certain conditions, approximately thirty-one shares per year of common stock of the Ford Motor Company, and,

WHEREAS, TRW desires to secure the benefits of Oelkers' executive skills and abilities if the contemplated merger of IRC into TRW takes place;

NOW, THEREFORE, if the contemplated merger takes place, it is hereby mutually agreed as follows:

1. Any assumption of the obligations of IRC by TRW by operation of law or otherwise pursuant to such merger notwithstanding, this document contains the whole agreement between the parties and there are no other terms, obligations or rights, express or implied, except as set forth herein.

2. TRW hereby employs Oelkers, and Oelkers hereby binds himself to remain in the employment of TRW, as an executive, for a period of five years commencing with the effective date of the contemplated merger; provided, however, if Oelkers is assigned to work in other than the Philadelphia area and if such area shall not be acceptable to him, he shall have the right to resign by notifying TRW of his resignation within thirty days after such assignment, in which event his employment hereunder shall terminate when such notice has been duly given and he shall no longer be entitled to the compensation provided for in Paragraph 4, but the right of Oelkers or his beneficiaries to receive Post-Employment Benefits as herein set forth shall continue. Oelkers shall devote his entire working time and energy, diligently and to the best of his ability, to

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the performance of duties properly assigned to him by TRW.

3. Oelkers covenants that,

A. During the period of his employment by TRW (i) he shall not work for any employer other than TRW or a subsidiary of TRW included in its consolidated financial statements except as the Directors or Executive Committee of TRW may request and he may agree; and (ii) he shall not engage in any other business in any capacity except with the prior consent of the Directors or Executive Committee of TRW;

B. During and after the end of his employment he shall not disclose or utilize to the detriment of TRW or any subsidiary of TRW any knowledge about their operations acquired by him during his employment by TRW, any subsidiary or any predecessor company which is not generally available to the public.

C. During the period of his employment by IRC he has not disclosed or utilized (and will not hereafter during such period disclose or utilize) to the detriment of IRC any knowledge acquired by him during such employment; and

D. He shall, if requested to do so by TRW, execute and abide with an "Employee Invention and Confidential Information Agreement" in substantially the form attached hereto as Exhibit B, with respect to the period of his employment by TRW and any predecessor corporation.

4. Oelkers shall be paid for the performance of his duties hereunder,

A. A minimum base salary at the rate of $60,000.00 per year, payable in accordance with the normal practice of TRW, but not less frequently

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than monthly; and

B. An amount to be determined by TRW under its management incentive compensation plan as amended from time to time, such amount to be at a rate per year of not less than $20,000.00 payable no later than promptly after the end of each calendar year; and

C. The Post-Employment Benefits as provided in Paragraph 9 hereinafter.

In addition, Oelkers shall be reimbursed for expenses incurred by him in the course of his employment pursuant to the expense reimbursement policies of TRW as established or amended from time to time.

5. Any stock option granted to Oelkers by IRC which is outstanding at the time of the merger shall be governed by the terms of the Agreement of Merger. Oelkers shall be eligible to participate under such plans for fringe benefits, other than any profit sharing, bonus or similar plans and the disability plan for principal officers, as TRW shall continue or initiate with respect to executive employees at the same location of the same Division as that for which Oelkers acts, it being TRW's intention to continue for Oelkers, to the extent practicable, the fringe benefits now offered by IRC and if changes are required, to make available to Oelkers fringe benefits which in total shall be approximately as good or better than the total of fringe benefits presently available to him excluding the IRC Profit-Sharing Bonus Plan for Top Management and the disability plan for principal officers.

6. If Oelkers becomes disabled and is temporarily or permanently unable

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to discharge the duties of his position, he shall continue to be employed by TRW while his inability to serve continues for a period of six months, during which time he shall be paid as provided in Paragraph 4. His continued employment for the remainder of the time of his inability to serve, his compensation for such period, if any, and his status under TRW's group insurance, retirement, major medical and similar fringe benefit plans shall be determined under TRW's established benefit plans and policies which are applicable to TRW executives and are in force at the location and for the Division where he is employed at the time such inability occurs, except that he shall specifically be entitled to participate in the Long Term Disability Insurance Plan of the Electronics Group of TRW or a plan at least as advantageous.

7. If Oelkers dies while this Agreement is in effect, his compensation as provided for in Paragraph 4 (but not the right of Oelkers or his beneficiaries to receive Post-Employment Benefits as herein set forth) shall terminate as of the date of such event, except that his beneficiaries or estate, as the case may be, shall receive such benefits as are provided for TRW executives at death under TRW's established benefit plans and policies then in force at the location and for the Division where he is then employed.

8. TRW shall have the right to terminate Oelkers' employment and Oelkers' right to continue to receive compensation as provided in Paragraph 4, if Oelkers breaches any part of the covenants set forth in Paragraph 3 or if he breaches his obligation to serve TRW in the manner specified in Paragraph 2, except that the right of Oelkers or his beneficiaries to receive Post-Employment Benefits as herein set forth after termination of employment shall be determined by reference to clause B of Paragraph 9.

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9. TRW hereby assumes and agrees to pay to Oelkers the Post-Employment Benefits provided for in Article II of the IRC Employment Agreement. For such purposes, "Factor A" shall be the sum of the Post-Employment Benefits which have accrued under said Article II at the effective date of the merger plus an amount equal to one-third of the aggregate base salary received by Oelkers during his employment hereunder plus one-third of the aggregate amount received by him during such employment under TRW's management incentive compensation plan.

Such Article II shall further be modified as follows:

A. References to termination of employment shall be read to mean termination of employment by TRW;

B. Clause (ii) of the second paragraph of Section 2.2 shall be changed to read: "(ii) Oelkers defaults under any of his covenants set forth in clause B or C of paragraph 3 of the Agreement between him and TRW Inc. dated November 28, 1967."

C. The last sentence of Section 2.3 shall be changed by substituting $2,100.00 for $833.33.

D. Section 2.4 shall be changed by substituting TRW Inc. for each reference to IRC.

Except as provided for in this Paragraph 9, Oelkers shall have no other rights under the IRC Employment Agreement.

10. If during Oelkers' employment hereunder there is a refusal to issue and deliver to Oelkers any of the shares of common stock of the Ford Motor Company (hereinafter referred to as the "Stock") in accordance with the terms

of the letter agreement dated May 1, 1963 between Oelkers and Philco Corporation (hereinafter referred to as the "Philco Agreement") and if the basis of such refusal is the entering of this Agreement or the performance of its terms by Oelkers, TRW shall, promptly after Oelkers has notified TRW of such refusal and has provided TRW with copies of all correspondence and other papers pertaining to such refusal and with such other information in such form as TRW may reasonably request pertaining to such refusal, deliver to Oelkers the number of shares of Stock as to which such refusal pertained or, at TRW's option, an amount in cash equal to the value of such shares of Stock. The value of such shares of Stock shall be determined by using the closing price on the New York Stock Exchange on the fifth business day following the day on which notice was duly given. If there were no sales of the Stock on the New York Stock Exchange on such fifth day, the closing price on the New York Stock Exchange for the first day preceding such fifth day for which there were sales of the Stock shall be used. After such delivery of Stock or payment of cash, Oelkers shall, if TRW believes that the abovementioned refusal was in breach of the Philco Agreement, take such actions and execute such papers (including, without limiting the generality of the foregoing, the assigning to TRW of all or part of any causes of action arising from the abovementioned refusal and/or joining TRW as a party plaintiff in any lawsuits commenced by TRW with respect to any of such causes of action), at TRW's expense but without charge by Oelkers to TRW, as are necessary to enable TRW to recover all amounts owed by reason of such breach of the Philco Agreement. If the amounts recovered by TRW shall exceed the total of the value

of the Stock delivered to Oelkers (such value to be determined as hereinabove provided in this Paragraph 10), or the cash paid to Oelkers, as the case may be, and the expenses incurred by TRW in making such recovery, the balance shall be paid by TRW to Oelkers. If there is a failure to issue and deliver to Oelkers any of the Stock within twenty-one days after the time provided in the Philco Agreement, Oelkers shall notify TRW of such failure within five days after such twenty-one days. If there is a refusal to issue and deliver to Oelkers any of the Stock at the time provided in the Philco Agreement, Oelkers shall notify TRW of such refusal within fourteen days thereafter. The giving of each such notice shall be a condition to TRW's obligations hereunder.

11. This Agreement shall inure to the benefit of and be binding upon Oelkers, his executors, administrators, legatees, distributees and other successors, but neither this Agreement nor any right hereunder may be assigned by Oelkers and any attempted assignment shall be null and void. This Agreement shall inure to the benefit of and be binding upon TRW, its successors and assigns; provided, however, that except with the prior written consent of Oelkers, TRW shall not assign this Agreement nor any right hereunder other than in connection with the direct or indirect transfer of all or a major portion of its business by merger, sale of assets, sale of stock or otherwise.

12. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of Pennsylvania.

13. Oelkers will not, for a period of two years after the end of his employment, engage directly or indirectly (either as principal or as agent, or

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through any corporation, firm or other organization in which he may be an officer, director, employee, substantial shareholder, partner, member or be otherwise affiliated) in any phase of any business carried on by IRC, and Oelkers will not, for such period, engage, directly or indirectly as aforesaid, in the manufacture or sale of any product made or sold by IRC. As used in this paragraph the terms "business" and "product" mean any business or product the same as or similar to any engaged in or sold by IRC at the effective date of the contemplated merger, and/or which has developed into or grown out of any such business or product from and after the effective date of such merger to the date Oelkers ceases to be an employee, and/or any other business engaged in, or product manufactured by, any Division of TRW by which Oelkers was engaged within one year of the time he ceases to be an employee. The foregoing agreement in this paragraph shall extend into each state, each county, each municipality and/or each competitive geographical area, if such area overlaps each or any of the foregoing, in which TRW manufactures or sells or into which it ships, at the time of such cessation of employment, any of the aforesaid products.

14. The invalidity or unenforceability of any provision of this Agreement or the invalidity or unenforceability of any provision of this Agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this Agreement or the other applicability of such provision, as the case may be.

15. Any notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given when personally

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delivered to the president or a vice president or the secretary or an assistant secretary of TRW, or to Oelkers, as the case may be, or when delivered to or received by mail at the following address:

(a) If to TRW:

TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117
Attention: Secretary

(b) If to Oelkers:

Wilson H. Oelkers
8615 Millman Place
Philadelphia, Pennsylvania 19118

or at such other address as either party may notify the other.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

Wilson H. Oelkers

TRW INC.

By _____
Executive Vice President

ATTEST:

_____
Assistant Secretary

[As Revised Through December 5, 1966]

INTERNATIONAL RESISTANCE COMPANY, a Delaware corporation, hereinafter called "IRC", by authority of its board of directors, and WILSON H. OELKERS, of Philadelphia, Pennsylvania, hereinafter called "Oelkers", each intending to be bound, this 15th day of April, 1963,

AGREE:

I. BASIC EMPLOYMENT PROVISIONS

1.1 Definition of the "Enterprise" and the "Board". The "Enterprise" as used herein means the aggregate as composed from time to time of IRC and subsidiary corporations in which IRC owns or controls 80 percent or more of the voting securities. The "Board" as used herein means IRC's board of directors as constituted from time to time.

1.2 Employment. IRC hereby employs Oelkers, and Oelkers hereby binds himself to remain in the employment of IRC, as an executive officer, from April 15, 1963 until July 31, 1969. Oelkers agrees to devote his entire working time and energy, diligently and to the best of his ability, to the performance of duties properly assigned to him by IRC.

1.3 Covenants. Oelkers covenants that,

A. During the period of his employment by IRC (i) he shall not work for any other employer (other than a member of the Enterprise) except as the Board may request and he may agree; and (ii) he shall not engage in any other business in any capacity except with the prior consent of the Board; and

B. During and after the end of his employment he shall not disclose or utilize to the detriment of the Enterprise or any of its member corporations any knowledge acquired by him during his employment about the operations of the Enterprise or any of its member corporations.

TRW-MGR-0099

1.4 Salary and Expenses. Subject to the provisions of section 1.5, Oelkers' minimum salary shall be at the rate of $40,000. per year. Oelkers shall be reimbursed for expenses incurred by him in the course of his employment in accordance with the expense reimbursement policies of IRC as established and amended from time to time.

~~1.5 Disability. If Oelkers becomes disabled and is temporarily or permanently unable to discharge the duties of his position, he shall continue to be employed by IRC while his inability to serve continues, but not for more than 24 months if his inability to serve extends beyond that length of time. During the first six months of his inability to serve he shall be paid at the rate of 100% of his base salary, and for the remainder of the time of his inability to serve (but for not more than 18 months) he shall be paid at the rate of 75% of his base salary.~~

~~Although unable to serve, Oelkers shall be considered during this period of his continued employment to be an active employee for the purpose of determining his status under IRC's group insurance plans, retirement plans, profit-sharing plans, and stock option plans, and for the purpose of determining the maximum aggregate amount of Post-Employment benefits allowable under section 2.2.~~

~~The provisions of this section 1.5 are in lieu of the "Disability Plan for Principal Officers" established by the Board on July 14, 1964. Oelkers hereby expressly waives all rights under such Plan and under any plan or policy subsequently adopted to replace it.~~

Dictd 12/5/66

1.6 Death. If Oelkers dies while this agreement is in effect, his salary (but not his right to receive Post-Employment Benefits under Part II of this agreement) shall terminate and his beneficiaries or estate, as the case may be, shall receive such benefits as are provided for IRC executive officers at death by IRC established benefit plans and policies then in force.

1.7 Breach. IRC shall have the right to terminate Oelkers' employment and Oelkers' right to continue to receive compensation (including payments during disability) under this agreement if Oelkers breaches any part of either of the covenants set forth in section 1.3 or if he breaches his

TRW-MGR-0100

obligation to serve IRC in the manner specified in section 1.2. In determining whether Oelkers' employment has terminated for breach of covenant under section 1.3 or in violation of his obligations under section 1.2 (including his obligation to remain in IRC's employment until July 31, 1969) the facts of the situation rather than the form of the severance shall prevail; specifically, whether the severance is formally accomplished by mutual agreement or by resignation or by dismissal shall not be controlling. The right of Oelkers or his beneficiaries to receive Post-Employment Benefits after termination of employment shall be determined by reference to the provisions of Part II of this agreement and not by reference to this section 1.7.

1.8 Proprietary Information and Inventions. Oelkers agrees to execute from time to time such supplementary proprietary information and invention agreements as are regularly required to be executed by IRC high level management personnel.

II. POST-EMPLOYMENT BENEFITS

2.1 Entitlement to Post-Employment Benefits. An initial right to Post-Employment Benefits (defined in section 2.2) shall arise in Oelkers (or in his beneficiary if Oelkers dies) when (but not before) Oelkers' employment by IRC terminates, whether by reason of expiration of this agreement, or retirement, or permanent disability, or death, or other severance.

2.2 Definition of Post-Employment Benefits. Post-Employment Benefits are monthly payments, each in the amount of $2100., to be made by IRC to Oelkers (or to his beneficiary if Oelkers dies). The first such payment shall be due one month after Oelkers' termination of employment becomes effective. All such payments shall not exceed in the aggregate the result of multiplying "Factor A" by "Factor B" following:

"Factor A" shall be the sum of amounts equal to (i) one-fourth of Oelkers' non-deferred cash salary paid to him within the period beginning July 6, 1964 and ending October 24, 1965, (ii) one-third of Oelkers' non-deferred cash salary paid to him within the period beginning October 25, 1965 and ending when Oelkers' employment by IRC terminates, (iii) twenty-eight-and-fifty-seven-one-hundredths percent (28.57%) of the cash bonus paid to Oelkers under the

TRW-MGR-0101

Profit-Sharing Bonus Plan for Top Management based on the second half of the year 1965, and (iv) one-third of each cash bonus paid to Oelkers under the Profit-Sharing Bonus Plan for Top Management based on fiscal periods beginning after 1965.

"Factor B" shall be determined by the calendar year in which Oelkers' employment by IRC terminates, according to the following table:

Year	Factor B
1966	1.04
1967	1.06
1968	1.08
1969	1.11
1970	1.13
1971	1.15
1972	1.18
1973	1.20
1974	1.23
1975	1.26
1976	1.29
1977	1.32
1978	1.35
All Years After 1978	1.38

Unless suspended by operation of the provisions of section 2.3, payments shall (subject to the provisions of section 2.5) continue monthly until the earlier of the following events occurs:

(i) The maximum aggregate amount allowable has been paid;

(ii) Oelkers defaults under his covenant set forth in clause B of section 1.3.

2.3 Suspension of Post-Employment Benefits. No Post-Employment Benefit payment shall be made during any month in which Oelkers is receiving compensation from other sources in an amount aggregating more than $3,000.00 per month. Post-Employment Benefit payments otherwise due for such months shall be deferred but shall not be cancelled. Until Oelkers shall certify to IRC that his compensation from other sources for any month will exceed $3,000.00 it shall be conclusively presumed that his compensation from other sources for that month will be not more than $3,000.00. Post-Employment Benefits earned but deferred under this section shall be payable notwithstanding the termination of Post-Employment Benefit rights under clause (ii) of section 2.2. Not more than one Post-Employment Benefit payment, that is, not more than $833.33, shall be paid in any one month.

2.4 Beneficiaries. Oelkers may designate in writing, and from time to time may alter, the designation of a beneficiary or beneficiaries who shall be entitled to receive any payments which become due at or after Oelkers' death. Such designation shall be executed in duplicate, shall be dated and signed by Oelkers, and shall be accepted in writing by an officer of IRC. Each party shall retain an executed copy. If, at or after Oelkers' death, a designated beneficiary is wanting either because of Oelkers' failure to make the designation or because the designated beneficiary has died, IRC is authorized to pay the sums due either to Oelkers' widow, or to Oelkers' children or their guardians, or to the representatives of Oelkers' estate, as IRC in its sole discretion shall determine.

2.5 Non-Assignability. Oelkers shall have no right before payments respectively become due to anticipate, assign, pledge or otherwise alienate any Post-Employment Benefit payments. To the extent that Oelkers might voluntarily attempt any such anticipation, assignment, pledge, or other alienation of any Post-Employment Benefit payments before they respectively become due, the right to have such payments made shall be lost.

III. GENERAL PROVISIONS

3.1 Completeness of Agreement. This document contains the whole agreement between the parties and there are no other terms of any kind; provided, however, that this clause shall not be construed to deny to Oelkers participation in IRC's stock option plans, its profit-sharing plans, and other established benefit plans and policies for which IRC executive officers are eligible (other than IRC's "Disability Plan for Principal Officers" and any plan or policy subsequently adopted to replace it.)

3.2 Binding Effect. This agreement shall be binding upon Oelkers' heirs, executors, administrators and assigns and upon IRC's successors and assigns.

3.3 Construction and Effective Dates. This agreement shall be generally construed and enforced in accordance with the law of Delaware. Sections 1.2 and 1.4 shall remain in force until July 31, 1969. Sections 1.5, 1.6, 1.7, 1.8 and 2.1 shall remain in force until Oelkers' employment by IRC terminates. Sections 1.1, 1.3, 2.2, 2.3, 2.4, 2.5, 3.1, 3.2 and 3.3 shall remain in force without limit as long as they are respectively relevant.

INTERNATIONAL RESISTANCE COMPANY

By (s) Walter W. Slocum
President

(Corporate Seal)

Attest:

(s) Edward S. Weyl
Secretary

(s) Wilson H. Oelkers (SEAL)
Wilson H. Oelkers

TRW-MGR-0104

TRW INC.

EMPLOYEE INVENTION AND

CONFIDENTIAL INFORMATION AGREEMENT

THIS AGREEMENT made this 28th day of November, 1967, between TRW INC., an Ohio corporation (TRW Inc., any company owned or controlled by TRW Inc. and their respective predecessors or successors in business shall hereinafter collectively be referred to as "TRW") and Wilson H. Oelkers, (hereinafter referred to as "Employee")

WITNESSETH:

In consideration of Employee's employment by TRW and of the compensation to be paid Employee by TRW it is agreed as follows:

1. Employee agrees that all inventions, discoveries, developments, improvements, and innovations, whether patentable or not (hereinafter collectively referred to as "Inventions" or "Invention" as may be appropriate), conceived or made by Employee, either solely, or in concert with others, during the period of employment with TRW (including, but not limited to any period prior to the date of this Agreement), whether or not made or conceived during working hours, which (a) relate in any manner to the existing or contemplated business or research activities of TRW, or (b) which are suggested by or result from Employee's work for TRW, or (c) result from the use of TRW time, materials or facilities shall be the exclusive property of TRW. Any Invention disclosed by Employee to a third person or described in a patent application by Employee within six (6) months following the period of employment with TRW shall be presumed to have been conceived or made by Employee during the period of employment with TRW unless proved to have been conceived and made by Employee following the period of employment with TRW.

2. Employee further agrees: TRW-MGR-0105

(a) That he will promptly disclose in writing to TRW all Inventions conceived or made by him, either solely, or in concert with others, during the period of employment; and

(b) That he does hereby assign to TRW his entire right, title and interest in all Inventions which are the property of TRW pursuant to paragraph 1 and will, on request, execute specific assignments to any of such Inventions; and that he will execute, acknowledge and deliver such documents and take such further action considered necessary by TRW at any time on its request during or subsequent to the period of employment with TRW, at TRW's expense but without charge by Employee to TRW, to obtain and defend Letters Patent in any and all countries and to vest title in such Inventions in TRW or its assigns.

3. Employee agrees that he will not, during or at any time after the period of his employment with TRW, use for himself or others or divulge or convey to others, except as required in performing Employee's duties to TRW, any secret or confidential information, knowledge or data of TRW obtained by Employee during the period of employment with TRW, or any secret or confidential information, knowledge or data of third parties obtained by Employee in the course of employment with TRW. Such information, knowledge or data includes, but is not limited to, secret or confidential matters (a) of a technical nature such as, but not limited to, methods, know-how,

formulae, compositions, processes, discoveries, machines, inventions, or research projects, (b) of a business nature, such as, but not limited to, information about costs, profits, markets, sales, or lists of customers and (c) pertaining to future development. On termination of employment or at any time on TRW's request Employee agrees to deliver promptly to TRW all drawings, blueprints, manuals, letters, notes, notebooks, reports, sketches, formulae, memoranda and all other materials (and all copies thereof) relating to the Company's business in any way obtained by Employee during the period of employment with TRW which are in possession of or under Employee's control.

4. Employee agrees that upon termination of employment TRW may notify anyone thereafter employing Employee of the existence and provisions of this Agreement.

5. The invalidity or unenforceability of any provision of this Agreement or the invalidity or unenforceability of any provision of this Agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this Agreement or the other applicability of such provision as the case may be.

6. This Agreement is voluntarily entered into, supersedes all previous employee invention and confidential information agreements, if any, between TRW and the Employee, and may not be changed in whole or in part, except in writing by a duly elected and authorized officer of TRW.

7. This Agreement shall inure to the benefit of and may be enforced by TRW, its successors and assigns and shall be binding on Employee, his executors, administrators, legatees, distributees and other successors in interest.

8. As a matter of record, Employee has stated on the reverse side hereof a complete list of all Inventions, including a line of description thereof, which were conceived by Employee prior to the period of employment by TRW and which are not included in this Agreement.

IN WITNESS WHEREOF the parties have signed this Agreement in duplicate as of the date written above.

TRW INC.

By _____

_____
Employee

Witness:

_____

TRW-MGR-0106

4E.

B.&C

November 28, 1967

TRW INC.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

1. Should the merger of IRC, INC. ("IRC") into TRW INC. ("TRW") be consummated as contemplated by the proposed Agreement of Merger between IRC and TRW ("Agreement of Merger"), the undersigned shareholders of IRC ("Signing Shareholders" or, individually, "Signing Shareholder") will receive certain shares of TRW Common Stock and Preference Stock II (as defined in the Agreement of Merger), such Common Stock and Preference Stock II so received and any shares of TRW Common Stock acquired upon conversion of TRW Preference Stock II so received being hereinafter collectively called "Stock".

2. Each Signing Shareholder severally and not jointly represents to you that (a) set forth opposite the name of such Signing Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") which such Signing Shareholder now owns of record; (b) such ownership is both of record and beneficial except as indicated by the designation of such Signing Shareholder as a fiduciary; (c) to the knowledge of such Signing Shareholder there are no other shares of IRC Common as to which such Signing Shareholder has any beneficial ownership,

power or interest, except that Girard Trust Bank is a fiduciary with respect to approximately 20,000 shares of IRC Common held for the benefit of persons other than members of the families of Charles Weyl or Edward S. Weyl.

3. Each Signing Shareholder has inquired of counsel whether such Signing Shareholder would be considered an affiliate of IRC (as the term "affiliate" is defined in Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act") at the date of the vote by the IRC stockholders upon the merger, assuming that, between the date of such inquiry and such vote, there is no material change of circumstances bearing upon the question and no material change in Rule 133 or the Act. In each case, each Signing Shareholder has been advised by the firm of Drinker, Biddle & Reath that in the opinion of such firm the Signing Shareholder would (on the assumption mentioned) not be considered an affiliate of IRC at the date of such vote, and Rule 133 has been explained to each Signing Shareholder by the firm of Drinker, Biddle & Reath. Each Signing Shareholder, nevertheless, severally and not jointly, represents to you that such Signing Shareholder has no intention of making any disposition of any shares of Stock, or any shares of Stock acquired from any other Signing Shareholder, other than such dispositions as would be permissible under Rule 133, and

agrees that no such Stock will be acquired by such Signing Shareholder with a view to distribution within the meaning of Rule 133 and that no such disposition will be made by such Signing Shareholder under circumstances involving violation of the Act, or any similar statute then in force or rule or regulation thereunder; but the preceding part of this sentence, insofar as it relates to Preference Stock II, assumes compliance by you with (whenever such compliance is required by) any applicable provisions of the last sentence of Section 7.1 of Article VII of the Agreement of Merger.

4. The Executors of the Estate of Charles Weyl, deceased, agree that they will call the attention of each transferee to whom a transfer of shares of Stock is made pursuant to a testamentary disposition in the will of Charles Weyl, deceased, to the existence of the aforesaid Rule 133 and will explain Rule 133 unless the transferee is a Signing Shareholder. Shares of Stock so transferred will continue to be treated as Stock for the purposes of this letter agreement. Each Signing Shareholder also agrees that he will notify you in writing if he desires to transfer any shares of his Stock by inter vivos gift and will require the proposed transferee to make a representation similar to the representation contained in paragraph 2 above and to make a representation and agreement similar to the representation and agreement in the last sentence of paragraph 3 above and will also give to the transferee the explanation of Rule 133 referred to in

the second sentence of paragraph 3 above. Despite the foregoing provisions of this paragraph 4, neither the Estate of Charles Weyl, deceased, nor the Executors thereof, nor any other Signing Shareholder (except for any Signing Shareholder who is also a transferee) will be responsible for the disposition that any transferee may make of shares of Stock.

5. If any Signing Shareholder is advised by Drinker Biddle & Reath at any time prior to the expiration of two years after the effective date of the merger that, by reason of any change of law or otherwise, such counsel has become of the opinion that such Signing Shareholder was an affiliate of IRC at the date of the vote referred to above, such Signing Shareholder may so notify you in writing, and after receipt of such notice the following provisions in this paragraph 5 and the succeeding paragraph 6 shall be operative:

If at the time of receipt of such written notice you have not filed a registration statement, either upon request of certain IRC shareholders described as Eligible Shareholders in a certain letter agreement dated November 28, 1967 between them and TRW or upon your own initiative, all as described in the provisions of paragraph 6 of said letter agreement, thereafter during a period beginning not earlier than 120 days after the effective date of the merger

and ending two years after such effective date, if any Signing Shareholder, alone or together with one or more Signing Shareholders (such Signing Shareholder, or if more than one, all of such Signing Shareholders, being hereinafter sometimes called "Seller") advises you in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange or stock exchanges on which said Stock was listed, because in the opinion of Drinker Biddle & Reath such sale of Unsold Stock would violate the Act or rules or regulations thereunder and also specifies the number of shares of Stock owned by each such Signing Shareholder and by transferees (described in paragraph 4) by gift from each such Signing Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which you shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by you) registration shall be necessary to enable all or part of the Signing Shareholders comprising the Seller to sell their Unsold Stock, each Signing Shareholder for which registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Signing Shareholders for which registration is so determined to be necessary, may request in writing to you the filing of a registration statement of TRW hereinafter described in this

sentence, and if

(a) such request is made after the happening of the foregoing events and within a period not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request) and including as Unsold Stock for the purposes of this subparagraph (b) only, Unsold Stock as defined in said letter agreement dated November 28, 1967 between certain Eligible Shareholders and TRW if a similar request is made pursuant to said letter agreement,

you will (i) within seven days after receiving such request and the legal opinions heretofore described in this paragraph 5, give written notice to White and Williams (or such other firm or single individual as the Signing Shareholders may have last designated as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Signing Shareholders) as Representative of all Signing Shareholders not joining in such request, of your intention to file a registration statement of TRW hereinafter described in this sentence and offering such Signing Shareholders through their Representative an opportunity to have their Stock included in such registration statement, and (ii) file at your own expense (but only once)

and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use your best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Signing Shareholder who within 30 days after you have given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW), registration shall be necessary to enable the Signing Shareholders desiring to do so to sell such Stock, in order to permit Signing Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. You shall have no obligation to file a registration statement upon such request if before receiving the written notice referred to at the beginning of this paragraph 5 you have filed a registration statement in order to permit sales and distributions of Stock owned by all or part of the aforementioned Eligible Shareholders. After filing any registration statement upon such request, you shall thereafter file at your expense any and all supplementary and periodic information, documents, reports and post-effective

amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Signing Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but you shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

6. If a registration statement is filed upon request, pursuant to paragraph 5:

(a) You will indemnify and hold harmless each Signing Shareholder whose Stock is covered by such registration statement against any and all losses, claims, damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statments therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to you by or on behalf of such Signing Shareholder; and

(b) Each Signing Shareholder whose stock is covered by such registration statement will indemnify you and hold you harmless and each person who controls you within the

meaning of the Act to the same extent as you agree to indemnify such Signing Shareholder, but only with respect to written information relating to such Signing Shareholder given to you by or on behalf of such Signing Shareholder; and

(c) Each Signing Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as you may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

7. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 4) by gift from a Signing Shareholder. Obligations of each of the Signing Shareholders hereunder are several and not joint. No Signing Shareholder shall be liable under this letter agreement for the acts of any other Signing Shareholder, except that any Signing Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Signing Shareholders. In no event shall any Signing Shareholder who is a fiduciary be

personally liable hereunder.

8. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts.

9. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and governed by the laws of the State of Ohio, except with respect to matters relating to the Act and except with respect to matters relating to the rights, duties and obligations of Signing Shareholders who are fiduciaries, which matters shall be determined and governed by the laws to which they are subject. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

10. Any notices or other communications hereunder shall be in writing and shall be deemed to be given (a) to you when delivered to or received by mail at the following address:

TRW INC.
23555 Euclid Avenue
Euclid, Ohio, 44117
Attention: Secretary

and (b) to all or any of the Signing Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. Drinker, Biddle & Reath
1100 Philadelphia National Bank Building
Philadelphia, Pennsylvania, 19107,

except notices given to the Representative as provided by paragraph 5 which shall be deemed to be given when delivered to or received by mail at the following address:

Messrs, White and Williams
19th Floor, Land Title Building
Philadelphia, Pennsylvania, 19110

(or to such firm or single individual designated in accordance with paragraph 5 at the address communicated to you in writing.)

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
GIRARD TRUST BANK	85,126 Shares

By S. D. Hart
S. D. HART Senior Trust Officer

and

Thomas M. Schubert
Thomas M. Schubert

Executors and Trustees under the Will of Charles Weyl

Shareholder (cont'd)	Number of Shares of IRC Common Stock Owned by the Shareholder
GIRARD TRUST BANK By S. D. Hart S. D. HART Senior Trust Officer and Thomas M. Schubert Thomas M. Schubert Trustees under Deed of Trust dated October 24, 1962 for Charles Frederick Weyl, a minor	1,590 Shares
GIRARD TRUST BANK By Thomas S. D. Hart S. D. HART Senior Trust Officer and Thomas M Schubert Thomas M. Schubert Trustees under Deed of Trust dated October 24, 1962 for Mary Caroline Weyl, a minor	1,590 Shares
Helen R. Weyl Helen R. Weyl	24,890 Shares

Shareholder (cont'd)	Number of Shares of IRC Common Stock Owned by the Shareholder
Elinor Jean Rossheim Elinor Jean Rossheim	1,000
Doris Day Doris Day	1,447

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

4F.

JONES, DAY, COCKLEY & REAVIS
1750 Union Commerce Bldg.
Cleveland, Ohio 44115

Philadelphia, Pa.
December 11, 1967

Messrs. Drinker, Biddle & Reath
1100 Philadelphia National Bank Building
Philadelphia 19106

Attn: Vernon Stanton, Jr., Esq.

Re: TRW INC. - IRC, INC.

Dear Sirs:

A messenger of White and Williams is handing you herewith seven counterparts of the letter agreement dated November 28, 1967, between certain Signing Shareholders identified therein and TRW, Inc. Each of such counterparts has been executed by TRW and, in addition, reflect execution by all of the Signing Shareholders, other than Mrs. Rossheim and Mrs. Day, from whom we understand additional counterparts are to be obtained and mailed by you to E. E. Ford, Esq., of TRW, for execution by TRW.

Very truly yours,

Leigh Trevor

PHL
Enclosures
cc: E. E. Ford, Esq., Asst. General Counsel
TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

TRW-MGR-0120

4G. (1)

Must file if W+W opines that sale would violate the Act, but may satisfy this obligation by notifying of intent to register.

November 28, 1967

4 G(1)

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

TRW-MGR-0122

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	400

TRW-MGR-0130

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

TRW-MGR-0131

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	
William J. Wiley	
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

TRW-MGR-0132

November 28, 1967

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

4 G(2)

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

TRW-MGR-0133

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

TRW-MGR-0137

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	100
Daumant Kusma	
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

TRW-MGR-0142

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	
William J. Wiley	
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

November 28, 1967

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

4 G(3)

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	2150
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	
William J. Wiley	
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

November 28, 1967

AG(A)

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	
Jesse Marsten	10,356
Rosalind F. Marsten (wife of Jesse Marsten)	11,421
Don Mitchell	
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	
William J. Wiley	
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

November 28, 1967

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TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	100
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	
William J. Wiley	
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

November 28, 1967

4G(6)

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

TRW-MGR-0177

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

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statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	
Wilson H. Oelkers	5556
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	
William J. Wiley	
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

November 28, 1967

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TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

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(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	3081 individually; 1264 jointly = 4345
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	
William J. Wiley	
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

TRW-MGR-0198

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November 28, 1967

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

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Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	21315
Jane Weyl	17303
Donald M. Weyl	92

TRW-MGR-0208

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	41
William J. Wiley	
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

November 28, 1967

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl Stephen E. Weyl	91
David R. Weyl	
William J. Wiley	
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

TRW-MGR-0220

From White & Wms
Bible
4G(9)

November 28, 1967

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

TRW-MGR-0221

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

TRW-MGR-0229

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	
William J. Wiley	416
Alfred H. Williams	

The foregoing is agreed to.

TRW INC.

By _____
~~Executive~~ Vice President

November 28, 1967

4 G(10)

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

In connection with the proposed Agreement of Merger between TRW Inc. ("TRW") and IRC, Inc. ("IRC"),(the "Agreement"), the undersigned shareholders of IRC hereby enter into the following letter agreement with TRW:

1. Each of the undersigned (such undersigned being herein sometimes referred to as "Eligible Shareholder") severally and not jointly represents and warrants to TRW that such Eligible Shareholder has read Rule 133 of the Securities and Exchange Commission ("Rule 133") adopted pursuant to the Securities Act of 1933, as amended (the "Act"), and that a memorandum explaining Rule 133 has been furnished to such Eligible Shareholder by the firm of White and Williams.

2. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that no shares of Common Stock or Preference Stock II (as defined in the Agreement) to be acquired by such Eligible Shareholder upon the merger of IRC into TRW or as an inter vivos or testamentary gift from any other of the Eligible Shareholders who acquired such shares upon such merger or upon conversion of such Preference Stock II (all such shares so acquired by all the Eligible Shareholders being hereinafter called the "Stock") will be acquired by such Eligible Shareholder with a view to distribution within the meaning of

TRW-MGR-0232

Rule 133. Each Eligible Shareholder also agrees that he will notify TRW in writing if he desires to transfer any shares of his Stock by inter vivos gift to a transferee (other than an Eligible Shareholder) who immediately after the transfer will be an "affiliate" of TRW as then defined in Rule 133 and before making such transfer to such transferee in an inter vivos gift will cause such transferee to agree in writing with TRW to be bound by all of the terms of this letter agreement as to all Stock so transferred, and, in the case of Stock which after the death of such Eligible Shareholder will be held by the Executor or administrator of his estate, any trustee of any trust established by him or any legatee or distributee (other than another Eligible Shareholder and herein called "Subsequent Shareholder"), will use his best efforts to give to such Subsequent Shareholder written notice of the terms of this letter agreement and to cause such Subsequent Shareholder to agree in writing with TRW to be bound by all such terms.

3. Each Eligible Shareholder agrees that, subject to the provisions of paragraph 7(a), such Eligible Shareholder (a) will not dispose of any Stock under circumstances involving a violation of the Act, or any similar federal statute then in force, or any rules or regulations thereunder, and (b) will indemnify and hold harmless TRW and any person in control of TRW (within the meaning of the Act, similar statute, rules or regulations) against any loss, liability, obligation, damage, cost or expense

(including reasonable attorneys' fees) which TRW or any such person may sustain by reason of any disposition of Stock by such Eligible Shareholder in violation of this paragraph 3.

4. Each Eligible Shareholder severally and not jointly represents and warrants to TRW that set forth opposite the name of such Eligible Shareholder at the end of this letter agreement is the exact number of shares of IRC Common Stock ("IRC Common") that such Eligible Shareholder now owns of record and/or beneficially (and that, except as there noted, such ownership is both of record and beneficial) and/or in respect of which such Eligible Shareholder now holds any power or interest (and such power or interest is correctly described thereon).

5. Each Eligible Shareholder acknowledges that failure to perform the agreements provided in this letter agreement may result in irreparable injury to TRW. Accordingly, each Eligible Shareholder further agrees that, in addition to remedies otherwise available, any or all of such agreements may be enforced by suit, restraining order and/or by injunction.

6. If during a period beginning 120 days after the effective date of the merger and ending two years after such effective date, any Eligible Shareholder, alone or together with one or more other Eligible Shareholders (such Eligible Shareholder or, if more than one, all such Eligible Shareholders, being hereinafter sometimes called "Seller") advises TRW in writing that Seller was unable to sell a specified number of shares of its or their Stock ("Unsold Stock") on a stock exchange

or stock exchanges on which said Stock was listed, because in the opinion of White and Williams such sale of Unsold Stock would violate the Act or rules or regulations thereunder, and also specifies the number of shares of Stock owned by each such Eligible Shareholder and by transferees (described in paragraph 2) by gift from each such Eligible Shareholder and theretofore sold by Seller and by such transferees and the date of each such sale, and supplies any other pertinent information which TRW shall reasonably request, and if in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable all or part of the Eligible Shareholders comprising the Seller to sell their Unsold Stock, each Eligible Shareholder for whom registration is determined to be necessary as set forth in said opinion, alone or together with one or more other Eligible Shareholders for which registration is so determined to be necessary, may request in writing to TRW the filing of a registration statement of TRW hereinafter described in this sentence, and if

(a) such request is made within a period of not more than two years after the effective date of the merger; and

(b) such request shall relate to Unsold Stock having a market value of at least $250,000 (determined on the basis of market value at the time of such request and including as Unsold Stock, for the purposes of this subparagraph (b) only, Unsold Stock as defined in a certain letter agreement dated November 28, 1967 between certain Signing Shareholders, including the Executors of the Estate of Charles [illegible] Weyl, Deceased, and TRW, if a similar request is made pur-

suant to said letter agreement),

TRW will (i) within seven days after receiving such request and such opinion of its counsel give written notice to White and Williams (or such other firm or single individual as the Eligible Shareholders may have last designated to TRW as their Representative by a writing signed by those then holding a majority of the aggregate number of shares of Stock held by all Eligible Shareholders) as Representative of all Eligible Shareholders not joining in such request, of TRW's intention to file a registration statement of TRW hereinafter described in this sentence and offering such Eligible Shareholders through their Representative an opportunity to have their Stock included in such registation statement, and (ii) file at its own expense (but only once) and within a reasonable time after the expiration of the 30-day period hereinafter specified in this sentence and use its best efforts to cause to become effective under the Act a registration statement relating to all Unsold Stock specified in such request and all other Stock then owned by each other Eligible Shareholder who within 30 days after TRW has given such written notice to the Representative asks to have his Stock included in said registration statement and for whom in the opinion of Jones, Day, Cockley & Reavis (or other counsel engaged by TRW) registration shall be necessary to enable the Eligible Shareholders desiring to do so to sell such Stock, in order to permit Eligible Shareholders to effect sales and distributions of said Unsold Stock and said other Stock on the stock exchange or exchanges on which the shares thereof are listed. TRW shall be relieved of the foregoing obligation to file a registration

statement if TRW shall (x) give the Representative a written notice advising that it proposes to file a registration statement in order to permit sales and distributions of Stock as aforesaid and (y) file at its own expense and use its best efforts to cause to become effective under the Act such registration statement relating to all Stock then held by Eligible Shareholders who indicate within 30 days after TRW has given such written notice a desire to have their Stock included in said registration statement and with respect to whom TRW receives an opinion of counsel, as described in the preceding sentence. After filing any such registration statement, either upon request or on its own initiative, TRW shall thereafter file at its expense any and all supplementary and periodic information, documents, reports and post-effective amendments as shall be required by the Act or any rule or regulation of the Securities and Exchange Commission thereunder and shall furnish each Eligible Shareholder whose Stock is included in such registration statement a reasonable number of copies of the prospectus containing such post-effective amendments, but TRW shall not be required to maintain such registration statement in effect beyond the later of 30 days after the effective date of such registration statement or a date two years after the effective date of the merger.

7. If a registration statement is filed either upon request or TRW's own initiative, pursuant to paragraph 6:

(a) TRW will indemnify and hold harmless each Eligible Shareholder whose Stock is covered by such registration statement against any and all losses, claims,

damages and liabilities (including legal and other expenses of defending any action) arising out of any alleged untrue statement of a material fact in the registration statement or the prospectus as from time to time supplemented and amended or any alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, unless such alleged untrue statement or omission was made in conformity with written information given to TRW by or on behalf of such Eligible Shareholder; and

(b) Each Eligible Shareholder whose stock is covered by such registration statement will indemnify and hold harmless TRW and each person who controls TRW within the meaning of the Act to the same extent as TRW agrees to indemnify such Eligible Shareholder, but only with respect to written information relating to such Eligible Shareholder given to TRW by or on behalf of such Eligible Shareholder; and

(c) Each Eligible Shareholder whose Stock is covered or to be covered by such registration statement will execute all such documents, furnish all such information and do or refrain from doing all such acts as TRW may reasonably request in connection with preparing, filing, making and keeping effective, amending, supplementing or terminating such registration statement.

8. This letter agreement shall inure to the benefit of the successors and assigns of TRW. This letter agreement shall be binding upon and inure to the benefit of each transferee (described in paragraph 2) by gift from an Eligible Shareholder and each Subsequent Shareholder. Obligations of each of the Eligible Shareholders hereunder are several and not joint. No Eligible Shareholder shall be liable under this Agreement for the acts of any other Eligible Shareholder, except that any Eligible Shareholder who may be an affiliate within the meaning of Rule 133 or a member of a group of closely related persons shall be responsible for any action on his part which is violative of this letter agreement because of his status as a group member or his relationship with other Eligible Shareholders.

9. This letter agreement may be executed in several counterparts, and each counterpart, when so executed and delivered, shall constitute a complete original instrument, and it shall not be necessary in making proof of this letter agreement or any counterpart hereof to produce or account for any of the other counterparts. The execution of this letter agreement by Eligible Shareholders shall not be construed as an admission by any Eligible Shareholder that it is an affiliate within the meaning of Rule 133 or that such Eligible Shareholder is a member of a closely related group which includes other shareholders of IRC.

10. The validity, construction, interpretation and enforcement of this letter agreement shall be determined and

governed by the laws of the State of Ohio, except with respect to matters relating to the Act. The invalidity or unenforceability of any provision of this letter agreement or the invalidity or unenforceability of any provision of this letter agreement as applied to a particular occurrence or circumstance shall not affect the validity or enforceability of any of the other provisions of this letter agreement or the other applicability of such provision, as the case may be.

11. Any notices or other communications hereunder shall be in writing and shall be deemed to be given

(a) to TRW when delivered to or received by mail at the following address:

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117
Attention: Secretary

and

(b) to all or any of the Eligible Shareholders, as the case may be, when delivered to or received by mail at the following address:

Messrs. White and Williams
19th floor, Land Title Building
Philadelphia, Pennsylvania 19110

or to such firm or single individual designated in accordance with paragraph 6 at the address communicated to TRW in writing.

Shareholder	Number of Shares of IRC Common Stock Owned by the Shareholder
George I. Back	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stanley R. Klion	
Daumant Kusma	
Jesse Marsten	
Rosalind F. Marsten (wife of Jesse Marsten)	
Don Mitchell	
Wilson H. Oelkers	
Walter H. Powell (individually and as tenant by entireties with Dorothy M. Powell)	
Dorothy M. Powell (as tenant by entireties with Walter H. Powell)	
Edward S. Weyl	
Jane Weyl	
Donald M. Weyl	

Shareholder (continued)	Number of Shares of IRC Common Stock Owned by the Shareholder
Stephen E. Weyl	
David R. Weyl	
William J. Wiley	
Alfred H. Williams	— 974 —

The foregoing is agreed to.

TRW INC.

By _____
Executive Vice President

Jones, Day, Cockley & Reavis
1750 Union Commerce Bldg.
Cleveland, Ohio 44115

Philadelphia, Pennsylvania
December 11, 1967

4H

Messrs. White and Williams
1900 Land Title Building
Philadelphia, Pa. 19110

Re: TRW Inc. - IRC, Inc.

Dear Sirs:

This is to confirm our oral statements to you with respect to Section 7(e) of Division C-2 of Article Fourth of Exhibit A to the Agreement of Merger dated November 28, 1967 by and between TRW Inc. and IRC, Inc.

In our view, such Section 7(e) is to be construed so that if, between the date of such Agreement of Merger and the time the merger of IRC, Inc. into TRW Inc. becomes effective, TRW should split or combine its outstanding shares of Common Stock, then an appropriate adjustment would be made in the conversion price applicable to the shares of TRW Cumulative Serial Preference Stock II, the express terms of which are set forth in such Division C-2.

We take the same view as to Section 7(e) of Division C-1 of such Article Fourth.

Yours very truly,

Jones, Day, Cockley & Reavis

Jones, Day, Cockley & Reavis

LT

AGREEMENT OF MERGER

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AGREEMENT OF MERGER dated November 28, 1967 ("this Agreement") by and between TRW Inc., an Ohio corporation of 23555 Euclid Avenue, Euclid, Ohio 44117 ("TRW"), and IRC, Inc., a Delaware corporation of 401 North Broad Street, Philadelphia, Pennsylvania 19108 ("IRC");

WITNESSETH:

WHEREAS, TRW is authorized to have outstanding 23,811,908 shares, consisting of (i) 61,908 shares of 4% Cumulative Preferred Stock, par value $100 per share ("Cumulative Preferred Stock"), of which 61,908 shares were issued and outstanding on September 30, 1967; (ii) 750,000 shares of Serial Preference Stock, without par value ("Preference Stock"), of which 355,931 shares designated as $4.25 Cumulative Preference Stock, Series A, Convertible on or before June 15, 1979, were issued and outstanding on September 30, 1967 and 85,003 shares designated as $5.00 Cumulative Preference Stock, Series B, Convertible on or before June 15, 1982, were then issued and outstanding; (iii) 3,000,000 shares of Serial Preference Stock II, without par value ("Preference Stock II"), of which no shares were issued or outstanding on September 30, 1967; and (iv) 20,000,000 shares of Common Stock, par value $2.50 per share ("Common Stock"), of which 9,947,808 shares were issued and outstanding on September 30, 1967;

WHEREAS, IRC is authorized to have outstanding 2,500,000 shares of Common Stock, par value $0.10 per share ("IRC Common"), of which as at October 6, 1967 1,606,775 shares were issued and outstanding, 1,000 shares were held in its treasury, and 892,225 shares were authorized but unissued, of which 32,765 shares were reserved for issuance upon the exercise of outstanding stock options;

WHEREAS, the Boards of Directors of TRW and IRC (such corporations being herein sometimes called the "Constituent Corporations") have deemed it advisable for the mutual benefit of the Constituent Corporations and their respective shareholders that IRC be merged into TRW upon the terms and conditions hereinafter set forth; and

WHEREAS, the Board of Directors of each Constituent Corporation has approved and adopted this Agreement;

NOW, THEREFORE, in accordance with the laws of Ohio and Delaware, TRW and IRC have agreed and do hereby agree that, subject to the conditions hereinafter set forth, IRC shall be merged into TRW and TRW shall be the surviving corporation (herein sometimes called the "Corporation"), and that the terms and conditions of such merger shall be as follows:

ARTICLE I: NAME; AMENDED ARTICLES OF INCORPORATION

1.1 The name of the Corporation will be TRW Inc.

1.2 At the time the merger becomes effective, the "articles" of the Corporation as defined in division (D) of section 1701.01 of the Ohio Revised Code shall, until further amended in accordance with the law, consist of the provisions of this Agreement, including all of the provisions of the articles (as so defined) of TRW immediately prior thereto without change. Such TRW articles will be, subject to the provisions of Section 18.1 below, as set forth in the Amended Articles of Incorporation attached hereto as Exhibit A and hereby made a part hereof. It is contemplated, but not required, that following the time the merger becomes effective, the Corporation will take such action as is then permitted under the Ohio Revised Code to have such Amended Articles of Incorporation, subject as aforesaid (herein sometimes called "the amended articles"), constitute the articles of the Corporation as so defined.

ARTICLE II: REGULATIONS

The regulations of TRW immediately prior to the time the merger becomes effective are hereby adopted without change as the regulations of the Corporation and shall continue to be its regulations until amended in accordance with the law.

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ARTICLE III: STATED CAPITAL

The amount of stated capital immediately prior to the time the merger becomes effective of each class of shares of TRW then outstanding, other than Preference Stock II (if any) and Common Stock, shall be the amount of stated capital at the time the merger becomes effective of such class of shares of the Corporation then outstanding. The amount of stated capital immediately prior to the time the merger becomes effective of Preference Stock II then outstanding (if any) plus $2.75 for each share of such class issued in the merger as provided in Section 7.1 shall be the amount of stated capital at the time the merger becomes effective of such class of shares of the Corporation then outstanding. The amount of stated capital immediately prior to the time the merger becomes effective of Common Stock then outstanding plus $2.50 for each share of such class issued in the merger as provided in Section 7.1 shall be the amount of stated capital at the time the merger becomes effective of such class of shares of the Corporation then outstanding.

ARTICLE IV: EARNED SURPLUS

The assets and liabilities of the Constituent Corporations shall be recorded on the books of the Corporation at the amounts at which they are stated on the books of the Constituent Corporations at the time the merger becomes effective. The excess of the assets of the Corporation, as the surviving corporation, taken at their fair value to the Corporation, over the sum of its liabilities, including liabilities derived from the Constituent Corporations or resulting from the merger, and stated capital, is at least equal to the combined earned surplus of the Constituent Corporations. The earned surplus of the Constituent Corporations shall constitute earned surplus of the Corporation.

ARTICLE V: DIRECTORS AND OFFICERS

The names and addresses of the first directors and officers of the Corporation at the time the merger becomes effective are, subject to the provisions of Section 18.1 below, as set forth in Exhibit B, entitled "First Directors and Officers of the Corporation", attached hereto and hereby made a part hereof, each of which directors holds such office at the time of adoption of this Agreement by the Board of Directors of TRW. If, prior to the time the merger becomes effective, any of the persons named in such Exhibit B as the first directors shall be unable or unwilling to serve as a director of the Corporation, the Board of Directors of the Corporation may fill such vacancy to the extent permitted by law.

ARTICLE VI: SERVICE OF PROCESS

P. W. Schuette, whose address is 23555 Euclid Avenue, Euclid, Cuyahoga County, Ohio 44117, hereby is appointed as the person upon whom any process, notice or demand against either Constituent Corporation or the Corporation may be served. The Corporation hereby agrees it may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of IRC, as well as for enforcement of any obligation of the Corporation arising from the merger, including any suit or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of Section 262 of the General Corporation Law of the State of Delaware, and hereby irrevocably appoints the Secretary of State of the State of Delaware as its agent to accept service of process in any such suit or other proceedings. The address to which a copy of such process may be mailed by such Secretary of State is TRW Inc., 23555 Euclid Avenue, Euclid, Ohio 44117 (Attention: Secretary).

ARTICLE VII: CHANGE OF SHARES

7.1 At the time the merger becomes effective, each share of IRC Common outstanding immediately prior to such time shall be changed into and become one-third of one share of Common Stock plus one-fourth of one share of the series of Serial Preference Stock II of the Corporation designated in Article Fourth of the amended articles as Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("Series 1 Preference Stock"); provided, however, that (a) any shares of IRC Common owned by TRW or IRC at the time the merger becomes effective shall not be so changed but shall be cancelled and (b) the Corporation shall not issue any certificates for fractional shares of Common Stock or Series 1 Preference Stock, but in lieu thereof the Corporation will make cash payments (without interest) for such fractions on the basis

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of $82.50 for a full share of Common Stock and on the basis of $100 for a full share of Series 1 Preference Stock. Notwithstanding the preceding sentence, however, if the time the merger becomes effective shall occur otherwise than on the day on which the proposed merger of United-Carr Incorporated into TRW shall become effective or otherwise than on the 16th day of any March, June, September or December subsequent to the day on which such proposed merger becomes effective, then at the time the merger becomes effective each share of IRC Common outstanding immediately prior to such time shall be changed into and become one-third of one share of Common Stock plus one-fourth of one share of the series of Serial Preference Stock II of the Corporation designated in such Article Fourth as Cumulative Serial Preference Stock II, $4.40 Convertible Series 2 ("Series 2 Preference Stock") and the phrase "Series 1 Preference Stock" where appearing in this Agreement (other than in this Section 7.1 (except for the proviso to the first sentence of this Section 7.1) and in the amended articles) shall be deemed to read "Series 2 Preference Stock". If, pursuant to the preceding sentence, the Corporation shall issue Series 2 Preference Stock pursuant to this Agreement and if the proposed merger of United-Carr Incorporated into TRW shall occur either before or after the time the merger becomes effective, then the Corporation shall, at its next annual or special meeting of shareholders held more than ninety days after the time when the later of such mergers becomes effective, submit to its shareholders, recommend the approval of and use its best efforts to cause to be approved a proposal to amend its then effective Amended Articles of Incorporation so as to cause each share of Series 2 Preference Stock outstanding at the time such amendment becomes effective to be changed into and become one share of Series 1 Preference Stock; and, upon such amendment, the then existing obligations of the Corporation, if any, to issue Series 2 Preference Stock upon the exercise of stock options referred to in Section 7.3 below shall be changed into and become obligations to issue Series 1 Preference Stock.

7.2 From and after the time the merger becomes effective, the holders of certificates for IRC Common shall cease to have any rights with respect to such stock (except such rights, if any, as they may have as dissenting shareholders), and (except as aforesaid) their sole rights shall be those to which they are entitled as owners of Common Stock and Series 1 Preference Stock into which their IRC Common shall have been changed by the merger, together with the right to receive cash in lieu of fractional shares of Common Stock and Series 1 Preference Stock as provided in Section 7.1. After the time the merger becomes effective, each holder of an outstanding certificate or certificates theretofore representing IRC Common shall be entitled, upon surrender of the same to the Corporation (duly endorsed as the Corporation may require), to receive in exchange therefor a certificate or certificates (as the holder requests) representing the number of full shares of Common Stock and Series 1 Preference Stock into which the shares of IRC Common theretofore represented by the certificate or certificates so surrendered shall have been changed as provided in Section 7.1, together with cash in lieu of fractional shares of Common Stock and Series 1 Preference Stock as provided in Section 7.1. Until so surrendered for exchange, each such outstanding certificate shall be deemed for all corporate purposes, other than the payment of dividends, to evidence the ownership of the number of full shares of Common Stock and Series 1 Preference Stock into which the shares of IRC Common have been so changed. Unless and until any such outstanding certificate for IRC Common shall be so surrendered, no dividend payable to holders of record of Common Stock and Series 1 Preference Stock as of any date subsequent to the time the merger becomes effective shall be paid to the holder of such outstanding certificate but, upon such surrender of such outstanding certificate (duly endorsed as the Corporation may require), there shall be paid to the record holder of the certificates of Common Stock and Series 1 Preference Stock issued in exchange therefor, the dividends (without interest) that have theretofore become payable with respect to the number of shares of Common Stock and Series 1 Preference Stock represented by said certificates issued upon such surrender and exchange.

7.3 At the time the merger becomes effective, each option granted pursuant to the IRC Qualified Stock Option Plan (1965) approved by the IRC shareholders on May 3, 1965, as amended through January 31, 1967, which remains outstanding immediately prior to the time the merger becomes effective shall be changed into and become an option to purchase one-third of one share of Common Stock plus one-fourth of one share of Series 1 Preference Stock for each share of IRC Common subject to such option immediately prior to the time the merger becomes effective; however, no exercise of an option shall require the issuance of a fractional share. The purchase price for each unit of one-third of one share of Common Stock plus one-fourth of one share of Series 1 Preference Stock shall be equal to the purchase price per share of each share

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of IRC Common under the particular stock option agreement under which such option was granted as in effect immediately prior to the time the merger becomes effective, and the rights and obligations of IRC under such stock option agreement shall, modified as above provided, become the rights and obligations of the Corporation. Each such stock option agreement shall otherwise be upon the same terms and conditions and have the same provisions (including antidilution provisions) as are contained therein immediately prior to the time the merger becomes effective.

7.4 If, between the date of this Agreement and the time the merger becomes effective, TRW shall split or combine or declare any stock dividend upon the outstanding shares of Common Stock, then an appropriate adjustment to reflect the same shall be made (a) as to the amount of Common Stock into which each share of IRC Common outstanding immediately prior to the time the merger becomes effective shall be changed at such time as provided in Section 7.1 (and in the cash payments in respect of fractions of shares of Common Stock therein contemplated), and (b) as to the amount of Common Stock issuable on the exercise of options to be assumed by the Corporation at the time the merger becomes effective as provided in Section 7.3.

7.5 At the time the merger becomes effective, (a) each share of Cumulative Preferred Stock outstanding (or held in the treasury of TRW, if any) immediately prior to the time the merger becomes effective shall continue to be one share of Cumulative Preferred Stock of the Corporation of the same class having the same designation and terms as provided for shares of such class immediately prior to such time; (b) each share of Preference Stock of each series outstanding (or held in the treasury of TRW, if any) immediately prior to the time the merger becomes effective shall continue to be one share of Preference Stock of the Corporation of the same class and series having the same designation and terms as provided for shares of such class and series immediately prior to such time; (c) each share of Preference Stock II of each series outstanding (or held in the treasury of TRW), if any, immediately prior to the time the merger becomes effective shall continue to be one share of Preference Stock II of the Corporation of the same class and series having the same designation and terms as provided for shares of such class and series immediately prior to such time; (d) each share of Common Stock outstanding (or held in the treasury of TRW) immediately prior to the time the merger becomes effective shall continue to be one share of Common Stock of the Corporation having the same designation and terms as provided for shares of Common Stock immediately prior to such time; and (e) each share of each other class, if any, of TRW stock, and of each series thereof, if any, outstanding (or held in the treasury of TRW, if any) immediately prior to the time the merger becomes effective shall continue to be one such share having the same designation and terms as provided therefor immediately prior to such time. All such designations and terms for shares will, subject to the provisions of Section 18.1 below, at the time the merger becomes effective be as set forth in Article Fourth of the amended articles.

ARTICLE VIII: EFFECT OF MERGER; FURTHER ASSURANCES

8.1 From and after the time the merger becomes effective, the effect of the merger shall be as provided in the applicable provisions of the Ohio and Delaware laws. Without limiting the generality of the foregoing, and subject thereto, at such time: the separate existence of IRC shall cease; the Corporation shall possess all the rights, privileges, immunities, powers, franchises and authority, as well of a public as of a private nature, of each of the Constituent Corporations; all property of every description, real, personal and mixed, and every interest therein, and all debts and obligations of or belonging to or due to IRC on whatever account shall thereafter be taken and deemed to be transferred to and vested in the Corporation without further act or deed; title to any real estate, or any interest therein, vested in either of the Constituent Corporations by deed or otherwise shall not revert or in any way be impaired by reason of this merger; all rights of creditors of each Constituent Corporation shall be preserved unimpaired, and all liens upon the property of each of the Constituent Corporations shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the time the merger becomes effective; and all debts, liabilities and duties of IRC shall thenceforth attach to the Corporation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

8.2 From time to time as and when requested by the Corporation, or by its successors or assigns, and without further consideration, IRC shall execute and deliver such instruments and shall take or cause to be

taken such actions as the Corporation, its successors or assigns, reasonably may require to vest or perfect in or to confirm of record or otherwise to the Corporation, its successors or assigns, title to, and possession of, all the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of IRC, and otherwise to carry out the purposes of this Agreement.

ARTICLE IX: REPRESENTATIONS OF IRC

9.1 IRC hereby makes the following representations to TRW, which representations shall not survive the time the merger becomes effective:

(a) *Corporate Status.*

IRC is a corporation duly organized, validly existing and in good standing under the laws of Delaware and has full corporate power and authority to own its properties and assets and to carry on its business as it has been and is conducted. IRC is duly qualified to do business in each state or other jurisdiction in which the nature of its business, properties or assets requires such qualification. IRC's authorized capital stock consists solely of 2,500,000 shares of IRC Common, of which as at October 6, 1967 1,606,775 shares were issued and outstanding, 1,000 shares were held in treasury and 892,225 shares were authorized but unissued. All of such 1,606,775 outstanding shares were validly issued, fully paid and non-assessable. At the close of business on October 20, 1967, the information concerning the ownership of IRC Common set forth in *Schedule I* (entitled "Ownership of IRC Shares", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification) was correct.

IRC has no commitment, either firm or conditional, to sell or issue (whether under outstanding offers, stock purchase or option agreements, warrants, conversion rights or otherwise) and since October 5, 1967 has not sold or issued any capital stock or other securities, except pursuant to IRC's commitments under stock option agreements described in Schedule V referred to in clause (h) of this Section 9.1 (the "Contract Schedule").

Except for Holyoke Wire and Cable Corporation, a New York corporation ("Holyoke"), and for Hycor Company, Inc. (Puerto Rico), a Puerto Rican corporation ("Hycor"), both of which are wholly-owned by IRC, IRC has no direct or indirect, wholly or partially owned subsidiaries conducting business, and, except as set forth in the next paragraph, neither it nor any of its subsidiaries has any other investment (equity or debt) in any other corporation, firm or organization exceeding $110,000 in the aggregate.

Except as set forth in the preceding paragraph, IRC has no subsidiaries other than (i) IRC, Inc., a New Jersey corporation, (ii) International Resistance Company, a New Jersey corporation, and (iii) IRC Electronica Ltda., a Brazilian corporation. Each of the subsidiary corporations mentioned in this paragraph is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is respectively incorporated. Except for 10 qualifying shares in the case of IRC Electronica Ltda., IRC owns all of their respective outstanding capital stock (consisting in each case solely of common stock) and the entire voting power of each of them, and none of them has any other outstanding securities. Such subsidiaries have no liabilities or obligations (absolute or contingent). IRC is presently in the process of forming an Argentinian corporation (IRC Electronica, S. A.), in which it is anticipated it will own at least 33,000 out of 165,000 authorized shares. IRC is not committed to make any payment to or in respect of such corporation in excess of $10,000.

Holyoke and Hycor are corporations duly organized, validly existing and in good standing under the laws of New York and Puerto Rico, respectively, and have full corporate power and authority to own their respective properties and assets and to carry on their respective businesses as they have been and are conducted. They are each duly qualified to do business in each state or other jurisdiction in which the nature of their respective businesses, properties or assets requires such qualification. IRC owns all of their respective outstanding capital stock and other securities and the entire voting power of each of them. All of such outstanding capital stock (33,243 shares of common stock, par value $25 per share, in the case of Holyoke and 6,000 shares of common stock, par value $5 per share, in the case of Hycor) is validly issued, fully paid and non-assessable. Neither IRC, Holyoke nor Hycor has any commitment, either firm or conditional, to sell or issue (whether under outstanding offers, stock purchase or option agreements, warrants, conversion rights or otherwise) any capital stock or other securities of Holyoke or Hycor.

True and complete copies of the Certificate of Incorporation and By-Laws of IRC, Holyoke and Hycor, each as amended to date, have been delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification).

(b) *Financial Statements.*

IRC has delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification) the unaudited balance sheet of IRC as at October 22, 1967 (the "IRC October 22 Balance Sheet") and the related statement of the results of operations for the period of 42 weeks then ended (all certified by Stanley R. Klion), together with the audit reports of Messrs. Peat, Marwick, Mitchell & Co. for IRC's fiscal year ended January 1, 1967 and for each of IRC's four preceding fiscal years. Each such audit report contains, inter alia, a balance sheet as at the end of the particular fiscal year, a statement of the results of operations for such year and, for the fiscal year ended January 1, 1967 only, a statement of source and disposition of funds. Each of such unaudited and audited balance sheets and each of such unaudited and audited statements of the results of operations and of the source and disposition of funds and each of such audit reports are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the financial position of IRC at the respective dates, the results of operations of IRC for the respective periods set forth therein and the source and disposition of IRC's funds during its fiscal year ended January 1, 1967.

IRC has delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification) the unaudited balance sheets of Holyoke as at June 30, 1967 and September 30, 1967 (the "Holyoke September 30 Balance Sheet") and the related statements of income and retained earnings for Holyoke's fiscal year and its period of three months then ended (all certified by Stanley R. Klion), together with the long form of audit report of Messrs. Lybrand, Ross Bros. & Montgomery for the fiscal years of Holyoke ended June 30, 1963, 1964, 1965 and 1966. Each such audit report contains, inter alia, a balance sheet as at the end of the particular fiscal year and a statement of income and retained earnings for such year. Each of such unaudited and audited balance sheets and each of such unaudited and audited statements of income and retained earnings and each of such audit reports are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the financial position of Holyoke at the respective dates and the results of operations of Holyoke for the respective periods set forth therein.

IRC has delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification and certified by Stanley R. Klion) the unaudited balance sheet of Hycor as at September 17, 1967 (the "Hycor September 17 Balance Sheet") and the related statement of the results of operations for the period of 37 weeks then ended, together with comparable financial information for Hycor's fiscal year ended January 1, 1967 and each of Hycor's four preceding fiscal years. Each of such balance sheets and each of such statements of the results of operations are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the financial position of Hycor at the respective dates and the results of operations of Hycor for the respective periods set forth therein.

(c) *Absence of Undisclosed Liabilities.*

IRC, Holyoke and Hycor, respectively, each have no liabilities or obligations (absolute or contingent) other than (i) those reflected in its latest balance sheet referred to above and not paid or discharged after the date of such balance sheet, (ii) those arising under agreements and commitments listed or described in any of, or permitted to be omitted from all of, the schedules delivered by IRC to TRW pursuant to this Agreement, (iii) those incurred since the date of such balance sheet in the ordinary and usual course of its business (in transactions in the ordinary and usual course of its business) which are not inconsistent with the other representations or agreements of IRC set forth in this Agreement or with the fulfillment of the conditions set forth in Article XV, and (iv) possible liabilities or obligations in respect of product warranties, none of which extend beyond one year from the date of sale of the products involved, and all of which, to the best of the knowledge and belief of IRC, do not exceed in the aggregate $150,000 in the case of IRC and $30,000 in the case of Holyoke.

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(d) *Absence of Certain Changes or Events.*

(i) Since September 1, 1967 IRC has not made or committed itself to make any distribution of any of its assets by way of declaration or payment of dividends, redemption or purchase of shares or otherwise, except to the extent permitted by clause (a) (ii) of Article XI.

(ii) There is no claim, litigation, proceeding or governmental investigation pending, or to the best of the knowledge and belief of IRC or any of its subsidiaries, threatened against or affecting IRC or any of its subsidiaries or the respective businesses, properties or assets of IRC or its subsidiaries except as indicated in *Schedule II* (entitled "Claims, Litigation, Proceedings, Etc., Affecting IRC and its Subsidiaries", delivered to TRW prior to the date of this Agreement, initialed by Edward S. Weyl or Wilson Oelkers for identification and herein called the "Litigation Schedule"). Without limiting the generality of the foregoing, neither IRC nor any of its subsidiaries are engaged in any patent, trademark, trade secret or other proprietary know-how controversy or any controversy with respect to the performance of products sold by IRC or any of its subsidiaries, except as listed or described in the Litigation Schedule. The manufacture, sale and use by IRC and its subsidiaries of their respective present products, processes, compositions of material and apparatus does not infringe, and continued manufacture, sale and use thereof by the Corporation or any subsidiary thereof will not infringe, any existing valid patent or trademark rights or involve the improper use of trade secrets or other proprietary know-how belonging to third parties. Neither IRC nor any of its subsidiaries is subject to any judgment, order, writ, injunction or decree of any court or governmental authority except for such, if any, as may be listed or described in the Litigation Schedule.

(iii) Since January 1, 1967 neither IRC nor any of its subsidiaries has (A) engaged in any activity or entered into or carried out any transaction other than in the ordinary and usual course of their respective businesses, except, in the case of IRC, for the purchase by it of all of the outstanding shares of capital stock of Holyoke pursuant to an Agreement dated March 27, 1967 between IRC and certain Selling Shareholders identified therein; or (B) through the date of this Agreement, incurred any change in their respective financial conditions, results of operations, businesses, properties or assets other than changes in the ordinary and usual course of business, none of which has been materially adverse, or experienced any occurrence or circumstance which has had or might reasonably be expected to have a material adverse effect on their respective financial conditions, results of operations, businesses, properties or assets.

(iv) Since January 1, 1967 neither IRC nor any of its subsidiaries has paid or committed itself to pay to or for the benefit of any of its directors, officers, employees or sales representatives any salary, wages, bonuses, profit sharing, pension, retirement or deferred compensation payments, or any other form of direct compensation or benefits, other than wages, salaries and sales commissions at rates then in effect and except (A) increases required pursuant to union agreements then in effect, (B) merit increases made in the normal course of business to employees who are not officers of IRC or any of its subsidiaries, and (C) increases in commissions made in the normal course of business to sales representatives. Since January 1, 1967, however, IRC has continued to make permitted payments pursuant to its bonus and profit sharing plans listed in the Contract Schedule, granted one new stock option to an officer, increased the salary of an officer and entered into a post-employment benefit contract with an officer.

(e) *Title to Property.*

The properties and assets owned by IRC and its subsidiaries include:

(i) The real properties and leases described in *Schedule III* (entitled "Schedule of Real Properties Owned and Leased by IRC and Subsidiaries", delivered to TRW prior to the date of this Agreement, initialed for identification by Edward S. Weyl or Wilson Oelkers and herein called the "Real Estate Schedule");

(ii) The other properties and assets reflected on the IRC October 22 Balance Sheet, the Holyoke September 30 Balance Sheet and the Hycor September 17 Balance Sheet, except for those disposed of

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after the applicable balance sheet date by IRC, Holyoke or Hycor, as the case may be, in the ordinary and usual course of their respective businesses (none of which was necessary to the efficient and profitable continuation of their respective businesses); and

(iii) All other properties and assets (including, without limitation, real and personal property, plant and equipment, tooling, inventions, patents, trademarks, licenses and other rights) presently carried on their respective books or used at any time in their respective businesses since prior to January 1, 1967, except properties and assets disposed of in the ordinary and usual course of their respective businesses, none of which was necessary to the efficient and profitable continuation of their respective businesses, and except for the real properties and equipment leased by IRC or one of its subsidiaries pursuant to the leases listed or described in the Contract Schedule.

IRC and each of its subsidiaries have good and marketable title to all of their respective properties and assets, free and clear of any imperfection of title, lien, encumbrance, charge, equity or restriction other than (i) the lien of taxes not yet due and payable, and (ii) in the case of realty, the exceptions indicated in the Real Estate Schedule. None of the properties or operations of IRC or of its subsidiaries thereon violates any applicable zoning requirement or any other governmental requirement relating to such properties or operations (and such nonviolation is not dependent on so-called nonconforming use exceptions).

(f) *Receivables.*

The receivables of IRC, Holyoke and Hycor are valid and collectible, not subject to any defense or offset, except to the extent of the reserve for losses shown on the IRC October 22 Balance Sheet, the Holyoke September 30 Balance Sheet and the Hycor September 17 Balance Sheet, respectively, as said reserves are respectively adjusted to the time the merger becomes effective on the books of IRC, Holyoke and Hycor in the ordinary and usual course of their respective businesses to reflect events in the ordinary and usual course of their respective businesses subsequent to the dates of such respective balance sheets. Except for receivables not exceeding $15,000 in the aggregate, the only receivables of IRC or any of its subsidiaries owing by officers or other employees or substantial shareholders of IRC or any of its subsidiaries or by corporations, firms or organizations in which officers or employees or substantial shareholders of IRC or any of its subsidiaries have any substantial interest are as set forth in *Schedule IV* (entitled "IRC and Subsidiary Advances to Officers, Etc.", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification).

(g) *Inventory.*

The items in the physical inventories of IRC, Holyoke and Hycor, respectively (except for items which on or before the date of its latest balance sheet referred to in clause (b) of this Section 9.1 have been determined to be obsolete under its normal practices and the entire value of which has been written off at or prior to the applicable balance sheet date, or which has been so written off since such date upon like determination to reflect events in the ordinary and usual course of its business since such date), consist solely of the following in quantities reasonably related to the requirements of its business: (i) raw materials, work in process and finished goods suitable and merchantable for filling orders in the ordinary and usual course of its business, and (ii) supplies suitable for use in the ordinary and usual course of its business.

(h) *Contracts and Commitments.*

Schedule V (entitled "Contracts and Commitments of IRC and Subsidiaries", delivered to TRW prior to the date of this Agreement, initialed by Edward S. Weyl or Wilson Oelkers for identification and herein called the "Contract Schedule") lists or describes in respect of IRC and each of its subsidiaries:

Each contract or commitment involving more than $7,500 for the purchase of, and each contract or commitment involving more than $25,000 for the sale of, inventory, supplies, equipment, capital assets, products or services; all unfilled government contracts involving more than $7,500; all insurance policies; all pension, profit sharing, retirement, bonus, deferred compensation, stock purchase, stock option or other employee benefit plans or arrangements; all contracts with or commitments to employees, directors, officers, shareholders or consultants (including collective bargaining agreements); all contracts or commitments evi-

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dencing or providing for loans; all contracts or commitments for distributorships, dealerships or sales representation; all leases; all licenses and other contracts and commitments relating to patents, trademarks, trade names or copyrights, or applications for any thereof, inventions, trade secrets or other proprietary know-how; and all contracts and commitments not in the ordinary and usual course of their respective businesses. Prior to the date of this Agreement, IRC has made available to TRW a correct copy of each of the contracts and commitments listed or described in the Contract Schedule which were in writing and has delivered to TRW such thereof as have been requested by TRW, and all written contracts or commitments so delivered have been initialed for identification by an IRC officer or counsel to IRC. All the contracts and commitments listed or described in the Contract Schedule are valid and binding and in full force and effect, and, except for possible default in meeting delivery schedules on certain sales orders which will have no material adverse consequences, no occurrence or circumstance exists which constitutes a breach or default (or which by the lapse of time and/or giving of notice would constitute a breach or default) by IRC or any of its subsidiaries under such contracts or commitments.

(i) *Patents and Trademarks.*

All patents, trademarks, trade names and copyrights, and all applications for any thereof, and all invention disclosures directly or beneficially owned by IRC and its subsidiaries are as set forth in *Schedule VI* (entitled "IRC and Subsidiary Patents, Etc.", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification). Since prior to April 1, 1966, IRC has had a contractual arrangement relating to rights in inventions, etc., substantially in the forms referred to in the Contract Schedule with each of its employees (including officers) who are exempt employees for purposes of the Fair Labor Standards Act, as amended, and all other employees engaged in duties of a technical nature.

(j) *Compliance with Law.*

Except for possible minor exceptions the curing of which would not have a material effect on the respective financial conditions, results of operations, businesses, properties or assets of IRC and its subsidiaries, each of their respective businesses have been conducted since prior to January 1, 1957 in accordance with the applicable laws and other requirements of governmental authorities.

(k) *Authorization of Agreement.*

This Agreement and the consummation hereof have been fully authorized on behalf of IRC by all requisite corporate action, except for the vote of its shareholders contemplated by this Agreement. Neither the execution nor the consummation of this Agreement does or will constitute a breach or default (or an occurrence which, by the lapse of time and/or the giving of notice, would constitute a breach or default) under any contract or commitment to which IRC or any of its subsidiaries is a party or by which any of their respective properties or assets are bound or result in the creation or imposition of any lien, encumbrance, charge, equity or restriction of any nature whatsoever in favor of any third party upon any of the properties or assets of IRC or of any of its subsidiaries.

(l) *Brokers.*

Neither IRC nor any of its shareholders has, directly or indirectly, dealt with anyone acting as broker, finder or in a similar capacity, and IRC has not, and will not, incur any obligation for any broker's, finder's or similar fee or commission in connection with this Agreement or any of the transactions contemplated hereby.

(m) *Insurance.*

IRC and its subsidiaries have in full force and effect the policies of insurance set forth on *Schedule VII* (entitled "Insurance of IRC and Subsidiaries", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification), with all premiums due thereon paid.

(n) *Taxes.*

All tax returns and reports of IRC and its subsidiaries required by law to be filed have been duly filed. All taxes, assessments, fees, penalties, interest and other governmental charges with respect to IRC and its subsidiaries which are due and payable have been paid. All federal income tax returns of IRC and Holyoke have been examined by the Internal Revenue Service through the fiscal years ended January 3, 1965 and June 30, 1964, respectively, and all assessments asserted with respect to such years and all prior years have been paid. Hycor's income tax returns have been audited by the Puerto Rican government through its fiscal year ended December 31, 1963, and all assessments asserted with respect to such year and all prior years have been paid. The most recent balance sheets of IRC, Holyoke and Hycor, identified in clause (b) of this Section 9.1, contain adequate provision for all taxes, assessments, fees, penalties, interest and other governmental charges which were, are or may become payable with respect to them at any time as a result of events occurring on or before the respective dates thereof.

(o) *Renegotiation.*

IRC has no liability (absolute or contingent) under any federal requirement relating to the renegotiation or redetermination of profits or prices for sales made prior to January 2, 1966 and neither Holyoke nor Hycor have any such liability whatsoever. To the best of the knowledge and belief of IRC, the liability, if any, of IRC under any such requirement for sales made on and after January 2, 1966 through the date of this Agreement does not, and as at December 31, 1967 will not, exceed $125,000, net of applicable federal income taxes.

9.2 The sole relief or remedy of TRW by reason of a misrepresentation by IRC shall be the termination of this Agreement pursuant to Article XVII.

ARTICLE X: REPRESENTATIONS OF TRW

10.1 TRW hereby makes the following representations to IRC, which representations shall not survive the time the merger becomes effective:

(a) *Corporate Status.*

TRW is a corporation duly organized, validly existing and in good standing under the laws of Ohio and has full corporate power and authority to own its properties and assets and to carry on its business as it has been and is conducted. The information as to TRW capital stock set forth in the first recital clause of this Agreement is accurate as at September 30, 1967.

(b) *Financial Statements.*

TRW has delivered to IRC copies of TRW's Annual Reports to its shareholders for the five calendar years 1962 through 1966 and its report to shareholders for the six months ended June 30, 1967, containing, in each case, TRW's consolidated balance sheet as at the end of each such year or period and its statement of consolidated income for such year or period. Subject, in the case of such report to shareholders for such six months, to Note (E) thereto, such audited and unaudited financial statements are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the consolidated results of operations for each of such years and such period and, in the case of such balance sheet as at June 30, 1967, the consolidated financial position of TRW as at such date.

(c) *Absence of Events.*

From December 31, 1966 through the date of this Agreement, there has been no material adverse change in the financial condition, results of operations or business of TRW and its consolidated subsidiaries taken on a consolidated basis, or any occurrence or circumstance experienced by them which has had or might reasonably be expected to have a material adverse effect on such financial condition, results of operations or business.

10.2 The sole relief or remedy of IRC by reason of a misrepresentation by TRW shall be the termination of this Agreement pursuant to Article XVII.

ARTICLE XI: CERTAIN AGREEMENTS OF IRC

IRC hereby agrees that between the date of this Agreement and the time the merger becomes effective:

(a) Except as otherwise expressly permitted by this Agreement, and except as TRW may otherwise consent to in writing from time to time, IRC will, and will cause each of its subsidiaries to, conduct its business and affairs only in the ordinary and usual course and not engage in any activity or enter into any transaction outside the ordinary and usual course of business. Without limiting the generality of the foregoing, IRC will not, and will not permit its subsidiaries to, (except as aforesaid) engage in any activity or enter into any transaction which would be inconsistent with any of IRC's representations set forth in Section 9.1 if such representations were made as of a date subsequent to such activity or transaction and all references to the date of this Agreement were deemed to be such latter date; provided, however, that, notwithstanding the foregoing: (i) IRC and its subsidiaries may in the ordinary and usual course of their respective businesses enter into, amend or terminate any contract or commitment of a type listed or described in the Contract Schedule which is indicated in such Schedule to be of a type entered into in the ordinary and usual course; and (ii) IRC may declare and pay (A) cash dividends aggregating not in excess of $0.40 per share of IRC Common to be paid on or prior to December 1, 1967, and (B) quarterly cash dividends not in excess of $0.25 per share of IRC Common for each quarterly period of three full calendar months which shall elapse from December 1, 1967 through the day prior to the time the merger becomes effective, plus (C) such additional equalizing cash dividend, if any, in respect of the period (the "Equalizing Period"), commencing after the end of the last such quarterly period of three full calendar months to occur prior to the time the merger becomes effective and ending on the first dividend payment date for TRW Common occurring after such time, as shall be appropriate to result in the payment by IRC and/or the Corporation to holders or former holders of IRC Common of cash dividends equal to dividends through the day prior to such time at the rate of the last permitted quarterly cash dividend paid by IRC and for the balance of the Equalizing Period at the rate of one-third of the then prevailing quarterly cash dividend upon TRW Common (the amount of which equalizing cash dividend shall be determined in a written agreement executed by the officers of the Constituent Corporations authorized to make such determination by their respective Boards of Directors, and the amount so determined shall be conclusive and binding upon the Constituent Corporations, the Corporation and their respective shareholders).

(b) IRC will (i) provide to TRW and its representatives, during normal business hours, full access to all of the properties, assets, books, agreements, commitments and records of IRC and its subsidiaries, (ii) furnish TRW and such representatives with all such information concerning any of the affairs of IRC and its subsidiaries as TRW reasonably requests, (iii) use its best efforts to cause the past and present auditors of IRC and its subsidiaries to make available to TRW and such representatives all financial information requested, including the right to examine all working papers, pertaining to audits and reviews made heretofore or hereafter by such auditors, (iv) provide such cooperation as TRW and such representatives may reasonably request in connection with any audit or review of IRC and its subsidiaries which TRW may direct its representatives to make, and (v) to the extent reasonably requested by TRW, obtain from the other party or parties to all contracts, commitments or other rights to which IRC is a party, appropriate consents in writing to the succession of the Corporation to the interests of IRC in such contracts, commitments and other rights.

(c) IRC will give such notices and take such further action as may be reasonably requested by TRW to comply with all applicable laws.

(d) IRC will use its best efforts to preserve its own and each of its subsidiaries' respective business organizations intact, to keep available to TRW the services of the present employees of IRC and its subsidiaries, including officers, and to preserve for TRW the good will of the suppliers, customers and others having business relations with IRC and its subsidiaries.

(e) IRC will provide TRW not later than January 12, 1968, to the extent requested by TRW not later than November 27, 1967, with:

(i) commitments from title companies acceptable to TRW to the effect that such companies shall be prepared to issue and deliver to the Corporation at or promptly after the time the merger becomes effective policies of title insurance in forms acceptable to TRW insuring to the Corporation

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(and to Holyoke or Hycor in the case of real property owned or leased by them) in such amounts as TRW may reasonably request for each parcel of real estate described as owned or leased by any of them on the Real Estate Schedule, good and marketable fee title to each such owned parcel, and a good and marketable leasehold title to each such leased parcel, in each case free and clear of imperfections in title and all liens, encumbrances, charges, equities and restrictions other than the exceptions set forth in such Schedule; provided that if title insurance is not available in the applicable jurisdiction an opinion as to title acceptable to TRW by counsel acceptable to TRW may be substituted for the title commitment; and

(ii) surveys of the real estate described in such Schedule certified as of a date subsequent to the date of this Agreement by a surveyor licensed by the state in which any particular surveyed property is situate (and, if TRW requests a title insurance commitment with respect to such property, satisfactory to the title company so committing), such surveys to show, among other things, boundary lines, access to public streets, improvements, building lines, easements (whether of record or in fact), the relationship of adjoining property and improvements to real estate and other improvements and such other matters as TRW may reasonably request.

(f) Forthwith IRC will cause TRW to be named as an insured in all of IRC's insurance policies to the extent of TRW's interest as it may appear.

(g) IRC shall deliver to TRW not later than January 31, 1968 an audit report of Messrs. Peat, Marwick, Mitchell & Co. which shall contain a consolidated and consolidating balance sheet of IRC and Holyoke as at December 31, 1967 and the related consolidated and consolidating statements of the results of operations for the fiscal year then ended and of the source and disposition of funds during such year. Such audit report will, as delivered, be correct and complete and fairly present, on a consolidated and consolidating basis and in accordance with generally accepted accounting principles applied on a basis consistent with prior periods, the financial positions of IRC and Holyoke as at December 31, 1967, the results of their respective operations for the fiscal year then ended and the source and disposition of their respective funds during such year. Such audit report will be accompanied by the certificate of Messrs. Peat, Marwick, Mitchell & Co. to the effect that such presentation, on a consolidated and consolidating basis, is as aforesaid.

(h) IRC will promptly take such action as may be necessary to call and hold a meeting of its shareholders to adopt this Agreement and to authorize consummation of the transactions contemplated hereby and such other matters as may be appropriate or required.

(i) IRC will promptly advise TRW in writing of each written objection made under Section 262 of the General Corporation Law of the State of Delaware.

ARTICLE XII: CERTAIN AGREEMENTS OF TRW

12.1 Except as IRC may otherwise consent in writing, TRW will not prior to the time the merger becomes effective (a) declare or pay any dividend or make any other distribution on Common Stock other than (i) the declaration and payment of regular quarterly dividends not exceeding $0.45 per share per quarter, (ii) the declaration and payment of a year-end extra dividend in respect of 1967 not exceeding $0.20 per share, and (iii) distributions of the type covered by Section 7.4 above; or (b) change the amended articles so as to (i) authorize or create, or increase the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to Serial Preference Stock II; or (ii) change the provisions of Division C-1 or Division C-2 of Article Fourth of the amended articles (or of Division C thereof insofar as such Division C relates to such Division C-1 or Division C-2), except to increase the authorized number of shares.

12.2 TRW will use its best efforts:

(a) to list, subject to notice of issuance, on the New York Stock Exchange, the shares of Series 1 Preference Stock to be issued in connection with the merger (including those to be reserved for issuance upon exercise of options referred to in Section 7.3 above); and

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(b) to list, subject to notice of issuance, on each stock exchange on which Common Stock is listed, the shares of Common Stock to be issued in connection with the merger (including those to be reserved for issuance upon exercise of such options) and the shares of Common Stock into which the aforesaid shares of Series 1 Preference Stock are convertible.

ARTICLE XIII: FURTHER AGREEMENTS OF CONSTITUENT CORPORATIONS

13.1 IRC will use its best efforts to obtain a ruling satisfactory to IRC and TRW from the Internal Revenue Service (based on a request for a ruling, including information furnished in support of such request, satisfactory to IRC and TRW) to the effect that (a) the merger of IRC into TRW pursuant to this Agreement will constitute a "reorganization" within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1954, as amended (the "Code"), (b) for federal income tax purposes, no gain or loss will be recognized to IRC or TRW upon the merger or (except in respect of cash received in lieu of a fractional share or by dissenting shareholders) to any IRC or TRW shareholder upon the merger or upon receipt of Common Stock or Series 1 Preference Stock to be issued in the merger, and (c) Section 306(a) of the Code will not apply to the sale or other disposition of shares of Series 1 Preference Stock to be issued in the merger other than, possibly, to a sale or disposition, within five years from the date the merger becomes effective, to the Corporation or in anticipation of a redemption by the Corporation.

13.2 Neither of the Constituent Corporations shall voluntarily undertake any course of action inconsistent with satisfaction of the conditions applicable to it set forth in this Agreement, and each shall promptly do all such acts and take all such measures as may be appropriate to comply as early as practicable with the representations, agreements, conditions and other provisions of this Agreement.

ARTICLE XIV: CONDITIONS ON OBLIGATION OF IRC

The obligation of IRC to consummate the merger contemplated by this Agreement (by causing the time the merger becomes effective to occur) shall be subject to the following conditions:

(a) TRW's representations contained in this Agreement shall be true and correct both on the date hereof and immediately prior to the time the merger becomes effective (applied without change of specified dates); and TRW shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by TRW prior to such time.

(b) Subsequent to the date of this Agreement, there has been no material adverse change in the financial condition, results of operations or business of TRW and its subsidiaries, taken on a consolidated basis, other than changes in the ordinary and usual course of business, and no occurrence or circumstance experienced by them outside of the ordinary and usual course of business which has had or might reasonably be expected to have such a material adverse effect on such financial condition, results of operations or business.

(c) The information provided by TRW for use in any IRC proxy soliciting material or letter to shareholders shall, at the time of the vote of the IRC shareholders upon this Agreement, not be false or misleading in any material respect or fail to state any fact necessary to make the statements therein not false or misleading in any material respect; and TRW will indemnify and hold harmless each officer, director, and each person, if any, who controls IRC within the meaning of the Securities Act of 1933, as amended, against any losses, claims, damages or liabilities to which any such officer, director, or controlling person may be subject under such Act or otherwise insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement in any IRC proxy soliciting material or letter to shareholders, which statement was made in reliance upon and in conformity with written material with respect to TRW and United-Carr Incorporated and their subsidiaries furnished and signed by the General Counsel or Assistant General Counsel or the Secretary of TRW specifically for use in the preparation thereof, and will reimburse any such officer, director, or controlling person for any legal or other expenses reasonably incurred by him in connection with investigating or defending any such loss, claim, damage, liability or action.

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(d) TRW shall be prepared to deliver to IRC, immediately upon completion of the filings intended to effect the merger, an opinion of E. E. Ford, R. J. Leaver or other internal counsel for TRW, dated as at the date of such filings and addressed to IRC, in form and substance satisfactory to counsel for IRC, to the effect that (i) the TRW representations set forth in clause (a) of Section 10.1 are correct and the condition set forth in clause (j) of this Article XIV has been satisfied; and (ii) upon such filings the merger of IRC into TRW became effective pursuant to Chapter 1701 of the Ohio Revised Code and, assuming the IRC Common outstanding immediately prior to such merger was fully paid and non-assessable, the shares of Common Stock and Series 1 Preference Stock into which such IRC Common was changed in the merger are (and the shares of Common Stock into which such shares of Series 1 Preference Stock are convertible will be) fully paid and non-assessable.

(e) Messrs. White and Williams, counsel for IRC, shall be prepared to deliver to IRC immediately upon completion of the filings intended to effect the merger, their opinion, dated as at the date of such filings and addressed to IRC, to the effect that this Agreement and the consummation hereof have been fully authorized on behalf of IRC by all requisite corporate action and that, upon such filings, the merger of IRC into TRW became effective pursuant to the General Corporation Law of the State of Delaware.

(f) IRC shall have received a ruling by the Internal Revenue Service at least as favorable as that contemplated by Section 13.1 above.

(g) At a meeting duly called and held for such purposes, the IRC shareholders shall have duly adopted this Agreement and approved the transactions contemplated hereby by the affirmative vote of the holders of at least two-thirds of the total number of the outstanding shares of IRC Common in accordance with the applicable provisions of the General Corporation Law of the State of Delaware.

(h) The New York Stock Exchange shall have approved for listing on said Exchange upon official notice of issuance the shares of Common Stock which are referred to in Section 12.2.

(i) Prior to the time the merger becomes effective, there shall be no litigation or proceeding pending or threatened against IRC or any director of IRC or involving the properties or assets of IRC for the purpose of enjoining or preventing the consummation of this Agreement or otherwise claiming that such consummation, or this Agreement, is improper.

(j) This Agreement and the consummation hereof shall have been fully authorized on behalf of TRW by all requisite corporate action.

(k) TRW shall have furnished to IRC a certificate dated the time the merger becomes effective, signed by a Vice President, and by its Secretary or an Assistant Secretary, to the effect that to the best of their knowledge and belief the conditions set forth in clauses (a), (b), (c) and (j) of this Article XIV have been satisfied.

ARTICLE XV: CONDITIONS ON OBLIGATION OF TRW

The obligation of TRW to consummate the merger contemplated by this Agreement (by causing the time the merger becomes effective to occur) shall be subject to the following conditions:

(a) The representations of IRC contained in this Agreement (read without regard to knowledge and belief qualifications) shall be true and correct both on the date hereof and immediately prior to the time the merger becomes effective (applied without change of specified dates); and IRC shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by IRC prior to such time.

(b) Subsequent to the date of this Agreement, there has been no material adverse change in the financial condition, results of operations, business, properties or assets of IRC or any of its subsidiaries other than changes in the ordinary and usual course of their respective businesses, and no occurrence or circumstance experienced by any of them outside of the ordinary and usual course of their respective businesses has had or might reasonably be expected to have such a material adverse effect on such financial condition, results of operations, business, properties or assets.

(c) Prior to the time the merger becomes effective, there shall be no litigation or proceeding (i) pending or threatened against IRC, any of its subsidiaries, TRW or any of their respective directors or involving the properties or assets of any of the foregoing, for the purpose of enjoining or preventing the consummation of this Agreement or otherwise claiming that such consummation, or this Agreement, is improper, or (ii) pending or threatened against TRW which, if decided adversely to TRW, would adversely affect the right of TRW to retain the property and other assets or continue the operations of the property, assets and business of IRC or any of its subsidiaries if and when the merger becomes effective. Prior to such time, there shall be no governmental investigation pending or threatened which might lead to or result in any litigation or proceeding of the nature referred to in the foregoing sentence.

(d) The conditions set forth in clauses (f) and (g) of Article XIV shall have been satisfied.

(e) The stock exchange listings for Common Stock contemplated by Section 12.2 shall have been obtained, subject to official notice of issuance.

(f) Messrs. Jones, Day, Cockley & Reavis, counsel for TRW, shall be prepared to deliver to TRW at the time the merger becomes effective their opinion, dated as at such time and addressed to TRW, to the effect that the Common Stock and Series 1 Preference Stock to be issued pursuant to this Agreement may be issued in compliance with the Securities Act of 1933, as amended.

(g) E. E. Ford, R. J. Leaver or other internal counsel for TRW, as the case may be, shall be prepared to deliver to TRW immediately upon completion of the filings intended to effect the merger, his opinion, dated as at the date of such filings and addressed to TRW, to the effect contemplated by clause (d) of Article XIV.

(h) Messrs. White and Williams, counsel for IRC, shall be prepared to deliver to TRW immediately upon completion of the filings intended to effect the merger their opinion, dated as at the date of such filings and addressed to TRW, in form and substance satisfactory to counsel for TRW, to the effect contemplated by clause (e) of Article XIV and to the further effect that: (a) the IRC representations set forth in the first two paragraphs of clause (a) of Section 9.1 (except for the last sentence of the first paragraph thereof), in the last sentence of clause (k) of said Section 9.1 and, to the best of their knowledge and belief, in the first two and last sentences of subclause (ii) of clause (d) of such Section 9.1 are correct at the date of such filings, and (b) to the best of their knowledge and belief, the condition set forth in clause (c) of this Article XV has been satisfied.

(i) The letter agreement or agreements entered into contemporaneously herewith between TRW and certain shareholders of IRC with respect to certain matters relating to the Securities Act of 1933, as amended, shall be in full force and effect with no breach or default as to any representation, warranty or agreement contained therein; and, except for the parties thereto, there shall not be any person who might reasonably be considered an "affiliate" of IRC as defined in Rule 133 under said Act.

(j) The Employment Agreement with TRW entered into contemporaneously herewith by Wilson Oelkers and the Consulting Agreement between TRW and Edward S. Weyl also entered into contemporaneously herewith are each in full force and effect with no breach or default as to any representation, warranty or agreement contained therein.

(k) The proxy soliciting material (and any accompanying letter to shareholders) to be submitted by IRC to its shareholders for the special meeting to be called to adopt this Agreement, and the information provided by IRC for use in any TRW listing application or other document relating to the merger, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(l) IRC shall have furnished to TRW a certificate dated the time the merger becomes effective, signed by such IRC officers as TRW may request, to the effect that to the best of their knowledge and belief the conditions set forth above in this Article XV (insofar as they relate to IRC) have been satisfied.

ARTICLE XVI: TIME MERGER EFFECTIVE

The time the merger becomes effective shall mean the time this Agreement is filed in the office of the Secretary of State of Ohio following its filing with the Secretary of State in Delaware in accordance with Chapter 1701 of the Ohio Revised Code and the General Corporation Law of the State of Delaware.

ARTICLE XVII: TERMINATION

This Agreement may be terminated and abandoned, either before or after the meeting of IRC shareholders herein provided for, but prior to the time the merger becomes effective:

(a) By mutual written consent of IRC and TRW authorized by their respective Boards of Directors;

(b) By written notice from IRC to TRW authorized by the Board of Directors of IRC if the conditions provided in Article XIV shall not have been met by July 31, 1968 or the date of such notice, whichever is later; or

(c) By written notice from TRW to IRC authorized by the Board of Directors of TRW if the conditions provided in Article XV shall not have been met by July 31, 1968 or the date of such notice, whichever is later.

ARTICLE XVIII: MISCELLANEOUS

18.1 Any of the provisions of this Agreement may be waived at any time by the party which is, or the shareholders of which are, entitled to the benefit thereof upon the authority of the Board of Directors of such party, provided that any such waiver shall not, in the judgment of such Board, affect materially and adversely the benefits of such party or its shareholders intended under this Agreement. Any of the provisions of this Agreement (including Exhibits A and B) and any of the provisions of the schedules referred to herein as heretofore delivered to either party may be modified at any time prior to or after the vote hereon of the IRC shareholders by agreement in writing between the parties approved by the Board of Directors of each party and executed in the same manner (but not necessarily by the same persons) as this Agreement, provided that such modification shall not, in the judgment of the Board of Directors of either party, affect materially and adversely the benefits of such party or its shareholders intended under this Agreement.

Notwithstanding the provisions of the preceding paragraph, if at any time or from time to time prior to the time the merger becomes effective, the TRW articles as defined in division (D) of section 1701.01 of the Ohio Revised Code are amended so as to become changed from Exhibit A attached hereto or if the particulars with respect to directors and/or officers become changed from those contemplated by Exhibit B attached hereto, then to the extent specified by TRW in one or more written notices to IRC, this Agreement shall automatically reflect such change or changes, as the case may be. Such change or changes shall be evidenced by substituting for such attachment or attachments hereto, Exhibit A and/or Exhibit B, as the case may be, a new Exhibit or new Exhibits A and/or B reflecting such change or changes and this Agreement shall thereafter be re-executed by IRC and TRW to confirm the same. If a particular change in the TRW articles is of a type requiring IRC's consent under Section 12.1(b) above, such consent shall be a condition precedent to such change and re-execution as aforesaid.

18.2 To the extent permitted by law, the powers of the Board of Directors of TRW and IRC, respectively, under and with respect to this Agreement may be delegated by such respective Boards to their respective Executive Committees and/or to any of the officers of their respective corporations.

18.3 TRW agrees to hold in confidence any information not generally available to the public received by it from IRC or any of IRC's subsidiaries pursuant to the terms of this Agreement, and should this Agreement be terminated for any reason, TRW will continue to hold such information in confidence and will, to the extent requested by IRC, promptly return to IRC all written material given to TRW by IRC or any subsidiary pursuant hereto.

18.4 Any notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered to the President or a Vice President or the

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Secretary or an Assistant Secretary of IRC or TRW, as the case may be, or when delivered to or received by mail at the following address:

(a) If to IRC:
IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108
Attention: President

(b) If to TRW:
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117
Attention: Secretary

or at such other address as either party may notify the other.

18.5 In furnishing opinions pursuant to this Agreement, counsel may rely upon certificates of officers of the respective parties and their subsidiaries, opinions of other counsel and such other documents and data as they may deem appropriate as the basis for their opinions.

18.6 This Agreement shall supersede any other agreement, whether written or oral, that may have been made or entered into by IRC or TRW or by any officer or officers of such parties relating to the acquisition of the properties and assets of IRC by TRW. This Agreement constitutes the entire agreement between the parties and there are no representations, warranties or commitments except as set forth herein; it may be amended only by instrument in writing executed by the parties hereto and authorized as provided herein. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm or corporation other than the parties hereto and their respective shareholders any rights or remedies under or by reason of this Agreement. There shall be no recourse against any party by reason of this Agreement or any transaction contemplated hereby not having the intended tax consequences. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

IN WITNESS WHEREOF, TRW and IRC have caused their respective corporate seals to be hereunto affixed and these presents to be signed by their respective officers thereunto duly authorized as of the day and year first above written.

TRW Inc. [CORPORATE SEAL]

[CORPORATE SEAL]

Attest: Secretary

By Executive Vice President

and Assistant Secretary

IRC, INC. [CORPORATE SEAL]

[CORPORATE SEAL]

By PRESIDENT

Attest:

and SECRETARY

SECRETARY

Exhibit A

to

Agreement of Merger

AMENDED ARTICLES OF INCORPORATION

OF

TRW INC.

First: The name of the Corporation shall be TRW Inc.

Second: The principal office of the Corporation shall be located in Euclid, Cuyahoga County, Ohio.

Third: The Corporation is formed for the following purposes, and any of them:

1. To manufacture, in whole or in part, weld, repair, treat, finish, service, buy, purchase or otherwise acquire, invest in, own, mortgage, pledge, exchange, sell, assign and transfer or otherwise dispose of, trade, deal in and deal with, import and export, in every manner, goods, wares, merchandise, personal property, products, materials, and articles of every kind, class and description, for any commercial, industrial, military, scientific or other purpose.

2. To carry on and perform research, development, evaluation, investigation, planning, engineering, design, testing, technical studies, invention and consulting or other service, for any commercial, industrial, military, scientific or other purpose, and in any field or fields.

3. To maintain and operate manufacturing, testing and related equipment, chemical, physical and other laboratories, training schools, and such other facilities as may be appropriate for the foregoing purposes and to carry on such activities.

4. To buy, purchase, or otherwise acquire, invest in, own, mortgage, pledge, exchange, sell, assign and transfer, or otherwise dispose of, trade, deal in and deal with real property of any description and any shares of capital stock or voting trust certificates in respect of shares of capital stock, scrip, warrants, bonds, debentures, notes, trust receipts and other securities, obligations, choses in action and evidences of indebtedness or interest, issued or created by any corporation, joint stock company, syndicate, association, firm, trust, government or person, public or private, and as owner thereof to possess and exercise all the rights, powers and privileges of ownership, and to do any and all acts and things necessary and advisable for the preservation, protection, improvement and enhancement in value thereof.

5. To enter into, make and perform contracts of every kind and description, including contracts of joint venture, with any firm, association, corporation, government or person, public or private.

6. To do all things necessary or incidental to any of the foregoing, including owning, holding and dealing, in every manner, in all real and personal property.

7. In general, to carry on any other lawful activity or business whatsoever in connection with the foregoing and the business of the Corporation, or which is calculated, directly or indirectly, to promote the interests of the Corporation or to enhance the value of its properties.

8. The foregoing shall be construed as purposes, objectives and powers, and nothing herein shall be deemed to limit or exclude in any manner any power, right or privilege now or hereafter given to the Corporation by law or any authority which it now or hereafter is permitted to exercise under the statutes of Ohio; provided, that nothing contained in this Article Third shall be construed as authorizing the Corporation to carry on the business of a public utility or railroad as defined by the public utility laws of Ohio or to engage in the practice of professional engineering or surveying.

The Corporation reserves the right at any time and from time to time to change substantially its purposes in any manner now or hereafter permitted by statute and an amendment to these Amended Articles of Incorporation changing substantially the purposes of the Corporation may be adopted. Any change of the purposes of the Corporation authorized or approved by the holders of shares entitled to exercise the proportion of the voting power of the Corporation now or hereafter required by statute for such authorization or approval shall be binding and conclusive upon every shareholder of the Corporation as fully as if such shareholder had voted therefor, and no shareholder, notwithstanding that he may have voted against such change of purposes, shall be entitled to payment by the Corporation of the fair cash value of his shares.

Fourth: The number of shares which the Corporation is authorized to have outstanding is 23,811,908, which shall be classified as follows:

61,908 shares of 4% Cumulative Preferred Stock of the par value of $100 each (hereinafter called "Cumulative Preferred Stock");

750,000 shares of Serial Preference Stock without par value (hereinafter called "Serial Preference Stock"); and

3,000,000 shares of Serial Preference Stock II without par value (hereinafter called "Serial Preference Stock II"); and

20,000,000 shares of Common Stock of the par value of $2.50 each (hereinafter called "Common Stock").

The shares of such classes of stock shall have the following express terms:

DIVISION A

Express Terms of Cumulative Preferred Stock

SECTION 1. The holders of record of shares of Cumulative Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors of the Corporation, dividends at the rate of, but not exceeding, four per cent (4%) per annum, payable quarterly on the fifteenth days of March, June, September and December in each year in preference to and in priority over dividends upon the Common Stock and all other shares junior to the Cumulative Preferred Stock. Such dividends shall be cumulative from the first day of the quarterly period beginning March 15, June 15, September 15 and December 15 in which such shares were originally issued; provided, however, that the quarterly dividend payable June 15, 1945 shall accrue and be cumulative only from May 15, 1945.

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SECTION 2. All or any part of the shares of Cumulative Preferred Stock are subject to call for redemption and may be redeemed by the Corporation at any time at the option of the Corporation upon notice mailed not less than thirty (30) nor more than sixty (60) days prior to the date fixed for such redemption, addressed to the holders of record of the shares of Cumulative Preferred Stock to be redeemed as shown by the books of the Corporation, and published in a newspaper of general circulation in the City of Cleveland, Ohio, and one of general circulation in the City of New York, New York, not less than thirty (30) nor more than sixty (60) days prior to such redemption date, at the redemption price of $110 per share if the date fixed for redemption is on or before June 15, 1948; $109 per share if such date is after June 15, 1948, but on or before June 15, 1951; $108 per share if such date is after June 15, 1951, but on or before June 15, 1955, and $107 per share if such date is after June 15, 1955, plus in each case, accrued unpaid dividends to the date fixed for redemption.

At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Cumulative Preferred Stock to be redeemed with any bank or trust company in the City of Cleveland, Ohio, or the City of New York, New York, having capital and surplus of more than Five Million Dollars ($5,000,000), named in such notice, directed to be paid to the respective holders of the shares of Cumulative Preferred Stock so to be redeemed, in amounts equal to the redemption price of all shares of Cumulative Preferred Stock so to be redeemed, on endorsement and surrender of the stock certificate or certificates held by such holders, and upon the making of such deposit such holders shall cease to be shareholders with respect to such shares, and after such notice shall have been given and such deposit shall have been made such holders shall have no interest in or claim against the Corporation with respect to such shares and shall be entitled only to receive such moneys from such bank or trust company without interest. In case less than all of the outstanding shares of Cumulative Preferred Stock are to be redeemed, the Corporation shall select by lot the shares so to be redeemed in such manner as shall be prescribed by its Board of Directors.

If the holders of shares of Cumulative Preferred Stock which shall have been called for redemption shall not, within ten years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof and to such holders.

All shares of Cumulative Preferred Stock redeemed by call shall be cancelled and not again issued.

SECTION 3. Upon any dissolution, liquidation or winding up of the Corporation the holders of shares of Cumulative Preferred Stock shall be entitled to receive, or to have deposited in trust for them as provided in Section 2 next preceding, out of the assets of the Corporation, whether from capital, surplus or from earnings, before any distribution of any assets shall be made to the holders of Common Stock or other shares junior to the Cumulative Preferred Stock, an amount which, in the case of involuntary dissolution, liquidation or winding up shall be equal to $100 per share plus accrued unpaid dividends to the date fixed for distribution, and in the case of voluntary dissolution, liquidation or winding up shall be equal to the respective redemption price specified in such Section 2, in effect at the date upon which the first distribution is made upon Cumulative Preferred Stock in connection with such voluntary dissolution, liquidation or winding up, as the case may be, including accrued unpaid dividends upon such shares computed to the date of distribution in lieu of the date fixed for redemption. The holders of Cumulative Preferred Stock shall be entitled to no further participation in any distribution.

SECTION 4. As long as any shares of Cumulative Preferred Stock shall be outstanding the Corporation shall on or before the first day of July in each year, beginning with July 1, 1946, use in the purchase or redemption of shares of Cumulative Preferred Stock an amount equal to (i) ten per cent (10%) of the consolidated net earnings of the Corporation and its subsidiaries for the preceding calendar year after deducting from such net earnings dividends actually paid upon the Cumulative Preferred Stock during such year, less if the Corporation so elects (ii) all amounts which the Corporation theretofore shall have expended in the purchase or redemption of Cumulative Preferred Stock in excess of the amounts required by this Section to be theretofore so expended, to

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the extent that such excess has not theretofore been deducted in computing the amounts so required to be expended during any previous period; provided that in no year shall the Corporation be required to so use more than $120,000, less the deduction provided in (ii) above. However, the Corporation may use in such redemption in any year for the purposes of this Section up to the full amount provided in clause (i) or $120,000, as the Corporation may elect.

Cumulative Preferred Stock redeemed pursuant to this Section shall be redeemed in the manner provided in Section 2 next preceding, but, notwithstanding the provisions of such Section 2, such shares shall be redeemed for the purposes of this Section at the redemption price of $107 per share plus accrued unpaid dividends to the date fixed for redemption. Nothing in this Section shall be deemed to limit the number of shares of Cumulative Preferred Stock which the Corporation may redeem pursuant to Section 2 next preceding or may purchase at any time or times.

On or before May 15th in each calendar year, beginning in 1946, the Corporation shall cause a firm of independent certified public accountants of recognized national standing, selected by the Board of Directors of the Corporation, to determine in writing the amount of the "consolidated net earnings" as herein defined of the Corporation and its subsidiaries for the preceding calendar year, and the amount, if any, required to be expended by the Corporation prior to the succeeding July 1st pursuant to the provisions of this Section after giving effect to the election of the Corporation, if any, to deduct amounts referred to in clause (ii) of the first paragraph of this Section; and on or before such latter date the Corporation shall file a copy of such written determination with each Transfer Agent of the Cumulative Preferred Stock. Each determination so made shall be binding and conclusive upon all shareholders of the Corporation. In each instance when written determination filed by the Corporation as hereinabove required by this paragraph shall disclose that the Corporation is required to expend funds pursuant to the provisions of this Section the Corporation shall, on or before August 1st in the same calendar year, file with each Transfer Agent of the Cumulative Preferred Stock a written statement signed by the Treasurer or an Assistant Treasurer of the Corporation disclosing the expenditures made by the Corporation in performance of the requirement.

All shares of Cumulative Preferred Stock purchased or redeemed as provided in this Section, including shares purchased or redeemed by the expenditure of amounts which were deducted in computing the amount the Corporation is required to expend in any year pursuant to this Section, shall be cancelled and not again issued.

SECTION 5. During any period or periods when the Corporation is in default in the payment of any quarterly dividend upon the Cumulative Preferred Stock the Corporation shall not purchase, otherwise than by redemption, any outstanding shares of Cumulative Preferred Stock except pursuant to a general offer or call for tenders made in writing to all holders of record of all shares of Cumulative Preferred Stock outstanding at the time of such offer or call; provided, however, that during any period when pursuant to the provisions of Section 4 next preceding the Corporation is required to use an amount which is not more than $25,000 in the purchase or redemption of Cumulative Preferred Stock, the Corporation may make purchases of Cumulative Preferred Stock to comply with such requirement without compliance with the foregoing provision of this Section.

SECTION 6. The holders of shares of Cumulative Preferred Stock shall not be entitled to vote or participate in meetings of shareholders of the Corporation except as hereinafter provided. If, and so often as, the Corporation shall be in default in the payment of six quarterly dividends at the rate of four per cent (4%) per annum on the shares of Cumulative Preferred Stock, whether or not earned or declared, the holders of shares of Cumulative Preferred Stock shall, as a class, be entitled to elect one-third of the members of the Board of Directors of the Corporation, but if the number of Directors to be elected when divided by three shall result in a fraction, such fraction shall be disregarded if less than one-half and shall be increased to one if more than one-half; provided, however, that the holders of shares of Cumulative Preferred Stock shall not have or exercise such voting right except at meetings of the shareholders for the election of Directors at which the holders of not less than thirty-five per cent (35%) of the outstanding shares of Cumulative Preferred Stock are present in person or by proxy; and provided further that the voting rights provided for herein when the same shall become vested shall remain so vested until all accrued unpaid dividends on the Cumulative Preferred Stock shall have been paid or declared and set apart for payment, whereupon the holders of

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the Cumulative Preferred Stock shall be divested of their voting rights in respect of subsequent elections of Directors, subject to the revesting of such rights in the event hereinabove specified in this Section.

The right to vote vested in the holders of record of shares of Cumulative Preferred Stock in the event of default as herein provided shall not deprive such holders of the exercise of any right that they may have at law, in equity or by statute to enforce any provision with respect to the shares of Cumulative Preferred Stock.

If, in the event of default entitling the holders of the Cumulative Preferred Stock to elect one-third of the Directors, as above provided, the annual meeting of shareholders of the Corporation shall for any reason not be held and Directors elected at the time specified therefor in the Code of Regulations of the Corporation, then a special meeting of the shareholders for the purpose of electing Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten per cent (10%) of the shares of Cumulative Preferred Stock at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders. At meetings so called, the only quorum requirement shall be the presence or representation thereat of the holders of thirty-five per cent (35%) of the shares of Cumulative Preferred Stock outstanding. At any such meeting the election of Directors to be elected by the holders of Common Stock or the holders of Cumulative Preferred Stock, as the case may be, shall be valid notwithstanding that a quorum of the outstanding shares of the other class may not have been present or represented thereat. Unless at such meeting the Directors elected by a class are elected to replace or renew the terms of Directors previously elected by that class, the Directors elected by that class shall constitute the Board of Directors of the Corporation until the other class shall act.

SECTION 7. Anything herein to the contrary notwithstanding, so long as any shares of Cumulative Preferred Stock shall be outstanding, the Corporation shall not, unless with the affirmative vote or written consent of the holders of record of at least a majority of the number of shares of Cumulative Preferred Stock at the time outstanding (but so far as the holders of shares of Cumulative Preferred Stock are concerned, the Corporation may, with such affirmative vote or written consent):

(a) Issue, guarantee or assume, or permit any subsidiary to issue, guarantee or assume, any funded debt other than funded debt issued by a subsidiary to and thereafter owned by the Corporation or one or more other subsidiaries; provided, however, that without such vote or consent:

(i) The Corporation or any foreign subsidiary may issue, guarantee or assume any funded debt if, as of a date not more than three months prior to such issuance, guarantee or assumption and after giving effect thereto and to the application of the proceeds thereof, the excess of consolidated net tangible assets of the Corporation and its subsidiaries, over consolidated current liabilities of the Corporation and its subsidiaries, would be not less than twice the aggregate of the outstanding consolidated debt (other than current liabilities) issued, guaranteed or assumed by the Corporation and its subsidiaries plus the aggregate involuntary liquidation price of the then outstanding Cumulative Preferred Stock, shares of the Corporation ranking on a parity with or having priority over the Cumulative Preferred Stock as to dividends or liquidation rights, and shares of each subsidiary not owned by the Corporation or another subsidiary having priority over the Common shares of such subsidiary as to dividends or liquidation rights; and

(ii) The Corporation or any subsidiary may issue, guarantee or assume any funded debt as a part of the purchase price paid by the Corporation or subsidiary, as the case may be, for property acquired or if the proceeds of such excepted debt are used in such acquisition or if such debt is or the proceeds thereof are used solely in the retirement of any such debt, but the amount of debt excepted by the provisions of this sub-paragraph (ii) shall not exceed 75% of the purchase price paid by the Corporation or subsidiary, as the case may be, for such property; and

(b) Create or issue any shares of stock having a parity with the shares of Cumulative Preferred Stock as to dividends or liquidation rights, or increase the authorized number of shares of Cumulative Preferred Stock beyond 60,000; or

(c) Sell all or substantially all of its property and assets to or become a party to any statutory consolidation with, or statutory merger into, any other corporation, on any basis other than one which provides for the payment to the holders of Cumulative Preferred Stock of an amount equal to the respective redemption price specified in Section 2 of this subdivision in effect at the date of transfer of the Corporation's assets pursuant to such sale or the effective date of such consolidation or merger, including accrued unpaid dividends to the date of such payment to holders of Cumulative Preferred Stock in lieu of the date of redemption; provided, however, that nothing herein contained shall require such vote or consent in respect of the statutory consolidation of the Corporation with or the statutory merger of the Corporation into Thompson Aircraft Products Co. or a subsidiary of the Corporation or the statutory merger of Thompson Aircraft Products Co. or a subsidiary of the Corporation into the Corporation if

(i) the Corporation, or a corporation resulting from or surviving such consolidation or merger (hereinafter sometimes called the "New Corporation") will not have authorized or outstanding after such consolidation or merger shares of any class which shall rank on a parity with or have priority over the shares of Cumulative Preferred Stock as to dividends or liquidation rights, and

(ii) each holder of shares of Cumulative Preferred Stock shall be entitled to retain or receive immediately after such consolidation or merger the same number of shares of Cumulative Preferred Stock or new stock of the Corporation or the New Corporation as such holder held immediately prior to such merger or consolidation, which Cumulative Preferred Stock or new stock shall have the same express terms and provisions as the Cumulative Preferred Stock had immediately prior to such consolidation or merger, and

(iii) upon the consummation of such consolidation or merger the New Corporation shall not have outstanding any funded debt in excess of the amount which, conformably to the provisions of paragraph (a) of this Section, the New Corporation, if at the time it had no funded debt outstanding, would be entitled to issue immediately after the consolidation or merger; or

(d) Permit any subsidiary, other than a foreign subsidiary, to issue any shares of stock having priority over the Common shares of such subsidiary as to dividends or liquidation rights, or to issue, guarantee or assume any funded debt other than shares and debt issued to and thereafter owned by the Corporation or one or more other subsidiaries, other than a foreign subsidiary, and other than debt referred to under sub-paragraph (ii) of paragraph (a) above.

Anything herein to the contrary notwithstanding, so long as any shares of Cumulative Preferred Stock shall be outstanding the Corporation shall not, unless with the affirmative vote or written consent of the holders of record of at least two-thirds of the number of shares of Cumulative Preferred Stock at the time outstanding (but so far as the holders of the Cumulative Preferred Stock are concerned, the Corporation may with such consent or vote):

(e) Amend, alter or repeal any of the express terms and provisions of the Cumulative Preferred Stock, in any material respect prejudicial to the holders thereof; or

(f) Create any class of shares having priority over the shares of Cumulative Preferred Stock as to dividends or liquidation rights.

SECTION 8. The Corporation shall not declare or pay any dividend (other than dividends payable in Common Stock or other shares junior to the Cumulative Preferred Stock) on or make or permit any subsidiary to make any purchase of Common Stock or other shares of the Corporation junior to the Cumulative Preferred Stock, or distribute any of its assets to the holders thereof as such holders so long as:

(a) The Corporation shall be in default in the payment of all or any part of any quarterly dividend at the rate of four per cent (4%) per annum on the shares of Cumulative Preferred Stock for any previous quarterly dividend period, whether or not earned or declared, or shall have failed to pay or declare and appropriate surplus for the payment of the dividend upon the shares of Cumulative Preferred Stock for the current quarterly dividend period, or

(b) The Corporation shall be in default in expending amounts in the retirement of shares of Cumulative Preferred Stock as required by Section 4 next preceding; or

(c) The aggregate amount of such payments, purchases and distributions (other than dividends payable in Common Stock and other shares junior to the Cumulative Preferred Stock) theretofore made after December 31, 1944, together with the payment, purchase or distribution to be made, would exceed the aggregate of (i) the consolidated net earnings, less deficits, of the Corporation and its subsidiaries after December 31, 1944, plus (ii) the net consideration received by the Corporation after such date from the sale or other disposition of Common Stock and other shares junior to the Cumulative Preferred Stock or rights or warrants for any such stock or shares, plus (iii) the sum of $1,000,000; or

(d) The consolidated net current assets of the Corporation and its subsidiaries are, or after such payment, purchase or distribution would be, less than $125 per share of Cumulative Preferred Stock then outstanding not held in the treasury of the Corporation.

SECTION 9. For all purposes of this subdivision the following terms shall have the following meanings:

(a) The term "accrued unpaid dividends" with reference to the Cumulative Preferred Stock shall mean the amount which shall be equal to four per cent (4%) per annum upon the shares in question from the date when dividends became cumulative thereupon to date, less the amount of all dividends actually paid upon such shares.

(b) The term "subsidiary" shall mean every corporation more than 50% of whose stock or shares having voting power for the election of Directors are at the time directly, or indirectly through one or more intermediaries, owned by the Corporation or by one or more subsidiaries thereof, or by the Corporation and one or more subsidiaries, but shall not include Thompson Aircraft Products Co., an Ohio corporation presently existing, nor any subsidiary thereof. At any time the Corporation may elect, by writing delivered to each Transfer Agent of the Cumulative Preferred Stock, to include as subsidiaries, for the purposes of this subdivision, Thompson Aircraft Products Co. and its subsidiaries, if any, if such corporation and the subsidiaries to be included otherwise would fall within the foregoing definition. Such election shall be effective as at the first day of the Corporation's quarter-annual fiscal period next succeeding the date of delivery thereof to the Transfer Agent, and the exclusion of Thompson Aircraft Products Co. and its subsidiaries now provided in the foregoing definition shall become and remain inoperative on and after such effective date. The net earnings or earned deficit, as the case may be, of Thompson Aircraft Products Co. and its subsidiaries arising after December 31, 1944, shall as of the effective date above mentioned be included as earnings or losses, as the case may be, of the Corporation and its subsidiaries for the purposes of Section 8 (c) next preceding.

(c) The term "net earnings" shall mean gross earnings (including non-operating revenue) less all current and operating expenses, including wages and compensation, fixed charges, all interest, sales and administrative expenses, insurance, the amount of amortization of discount and expense on funded debt, all state, federal and local taxes, including income taxes of all kinds, and reasonable reserves for credit losses and other losses of every nature, depreciation and amortization of facilities, and any other items which under standard accounting practice should be charged against earnings.

(d) The term "net tangible assets" shall mean all assets at their net book values (after deducting related depreciation and other valuation reserves), including, without limitation, indebtedness and securities owned (including claim for postwar refund of excess profits taxes), and prepaid expenses, but excluding treasury stock, rights in patents, trade marks, good will, unamortized debt discount and expense and other items not herein mentioned treated as intangibles in accordance with standard accounting practice.

(e) The term "net current assets" shall mean the excess of current assets over current liabilities.

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(f) The term "current assets" shall mean and include:

(i) Cash on hand or in banks;

(ii) Marketable securities (other than securities issued by the Corporation or its subsidiaries), not at the time pledged, taken at not more than their market value;

(iii) Good and collectible notes, trade acceptances, accounts and bills receivable if due and payable within one year from the date as of which current assets are being ascertained;

(iv) Obligations of the United States of America or any state, county or municipality therein, taken at not more than their market value, other than such obligations as are deducted from current liabilities in accordance with standard accounting practice;

(v) Goods manufactured, on hand and in process of manufacture, and materials and supplies on hand, taken at cost or market value, whichever is lower; and

(vi) Such other assets as should be classified as current assets in accordance with standard accounting practice.

(g) The term "current liabilities" shall mean and include V Loan Debt and all other indebtedness termed current liabilities in accordance with standard accounting practice, including taxes, wages, salaries, interest, rents, and royalties accrued as estimated, but shall not include any indebtedness other than V Loan Debt which shall not mature within one year from the date as of which current liabilities are determined. In determining the amount of liability for any tax there may be deducted therefrom all obligations which may be directly applied in payment of such tax.

(h) In computing "consolidated net earnings," "consolidated net current assets," and "consolidated net tangible assets" principles of consolidation conforming to standard accounting practice shall be applied.

The Corporation, by action of its Board of Directors, may designate a firm of independent certified public accountants of recognized national standing, selected by the Board of Directors of the Corporation, to determine the consolidated net tangible assets, consolidated net current assets or the consolidated net earnings, as herein defined, of the Corporation and its subsidiaries as of any date, and any determination so made shall be binding upon and conclusive as to all shareholders of the Corporation.

(i) The term "V Loan Debt" shall mean notes or other debt issued or incurred by the Corporation pursuant to the provisions of a Credit Agreement dated September 28, 1943, between the Corporation and various banks providing for loans to the Corporation guaranteed by the War Department of the United States and all notes or other debt issued or incurred by the Corporation or by any subsidiary pursuant to the provisions of any credit or loan agreement or arrangement the principal purpose of which is to provide funds in connection with war production or the carrying of receivables, inventories or claims with respect to terminated contracts relating to war production.

(j) The term "funded debt" shall mean any and all bonds, debentures, notes or similar debt which shall be payable after twelve months from the date as of which determination of funded debt is made. If the term of any such debt shall be subject to an option in the Corporation or any subsidiary, as the case may be, to extend (by way of renewal, refunding or otherwise) its maturity on any condition, the maturity thereof for the purpose of this subdivision shall be deemed to be the last date to which the maturity may be so extended. Without intending thereby otherwise to characterize debt which constitutes funded debt, such term shall in no case include any V Loan Debt or debt arising out of any lease or any contract for funding taxes or for making refunds to the Federal or any State Government, or any contract for the purchase or sale of materials, commodities or supplies in the ordinary course of business.

(k) No debt shall for any purpose of this subdivision be deemed to be a part of funded debt or other debt if moneys sufficient to pay or discharge such debt in

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full (either on the date of maturity expressed therein or on such earlier date as such debt may be duly called for redemption pursuant to the provisions of any instrument or agreement under which the same was issued) shall have been deposited with the proper depositary or trustee in trust for the payment thereof.

(l) The term "foreign subsidiary" shall mean any subsidiary which conducts substantially all of its business and has substantially all of its assets outside the United States of America.

(m) A class of stock shall be deemed to be "junior to the Cumulative Preferred Stock" if the Cumulative Preferred Stock has priority over such class with respect to dividend rights or liquidation rights.

SECTION 10. Holders of shares of Preferred Stock shall have no preemptive right to purchase or have offered to them for purchase any shares or other securities of the Corporation.

SECTION 11. Wherever reference is made in this subdivision to the doing of any act at the office of, or the filing of any statement with, the Transfer Agent or Agents for the shares of Cumulative Preferred Stock, such act may be done or the statement filed at the principal office of the Corporation in the event it shall have no Transfer Agent for such shares. All statements filed at such office or with any Transfer Agent for the shares of Cumulative Preferred Stock pursuant to the provisions hereof shall at all reasonable times be open to the inspection of record holders of shares of Cumulative Preferred Stock.

DIVISION B

Express Terms of Serial Preference Stock

Section 1. The Serial Preference Stock shall be deemed to be junior to the Cumulative Preferred Stock within the meaning of subparagraph (m) of Section 9 of Division A of this Article Fourth. The Serial Preference Stock may be issued from time to time in one or more series. All shares of Serial Preference Stock shall be of equal rank and shall be identical, except in respect of the particulars that may be fixed and determined by the Board of Directors as hereinafter provided, and each share of each series shall be identical in all respects with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Serial Preference Stock shall also be of equal rank and shall be identical with shares of Serial Preference Stock II except in respect of (1) the particulars that may be fixed and determined by the Board of Directors as hereinafter provided, (2) the amount which the holders of Serial Preference Stock of any series are entitled to receive in case of involuntary liquidation, dissolution or winding up of the affairs of the Corporation, as fixed and determined by Section 5(a)(ii) of this Division, and (3) the voting rights and provisions for consents relating to Serial Preference Stock, as fixed and determined by Section 6 of this Division. Subject to the provisions of Sections 2 to 8, both inclusive, of this Division, which provisions shall apply to all Serial Preference Stock, the Board of Directors hereby is empowered to cause the same to be issued in one or more series and with respect to each such series prior to the issuance thereof to fix and determine:

(a) The designation of the series, which may be by distinguishing number, letter or title.

(b) The number of shares of the series, which number may be increased (except where otherwise provided by the Board of Directors in creating the series) or decreased (but not below the number of shares thereof then outstanding) by like action of the Board of Directors.

(c) The annual dividend rate of the series.

(d) The dates at which dividends, if declared, shall be payable.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(g) The amounts payable on shares of the series in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation.

(h) Whether the shares of the series shall be convertible into Common Stock, and, if so, the conversion price or prices and the adjustments thereof, if any, and all other terms and conditions upon which such conversion may be made.

(i) Restrictions (in addition to those set forth in Sections 6(b) and 6(c) of this Division) on the issuance of shares of the same series or of any other class or series.

The Board of Directors is authorized to adopt from time to time amendments to the Articles of Incorporation of the Corporation fixing and determining, with respect to each such series, the matters described in clauses (a) to (i), both inclusive, of this Section 1.

Section 2. The holders of the Serial Preference Stock of each series, subject to the prior preference as to dividends of the Cumulative Preferred Stock, in preference to the holders of Common Stock and of any other class of shares ranking junior to the Serial Preference Stock, shall be entitled to receive out of any funds legally available for Serial Preference Stock and Serial Preference Stock II and when and as declared by the Board of Directors dividends in cash at the rate for such series fixed in accordance with the provisions of Section 1 of this Division and no more, payable quarterly on the dates fixed for such series. Such dividends shall be cumulative, in the case of shares of each particular series, from and after the date of issuance thereof. No dividends may be paid upon or declared or set apart for any of the Serial Preference Stock for any quarterly dividend period unless at the same time (i) a like proportionate dividend for the same quarterly dividend period, ratably in proportion to the respective annual dividend rates fixed therefor, shall be paid upon or declared or set apart for all Serial Preference Stock of all series then issued and outstanding and entitled to receive such dividend, and (ii) the dividend payable during the same quarterly dividend period upon all Serial Preference Stock II of all series then issued and outstanding at the rate and upon the date as fixed and determined by the Board of Directors as provided in Section 1 of Division C hereof shall be paid upon or declared or set apart for all such Serial Preference Stock II entitled to receive such dividend.

Section 3. In no event so long as any Serial Preference Stock shall be outstanding shall any dividends, except a dividend payable in Common Stock or other shares ranking junior to the Serial Preference Stock, be paid or declared or any distribution be made except as aforesaid on the Common Stock or any other shares ranking junior to the Serial Preference Stock, nor shall any Common Stock or any other shares ranking junior to the Serial Preference Stock be purchased, retired or otherwise acquired by the Corporation (except out of the proceeds of the sale of Common Stock or other shares ranking junior to the Serial Preference Stock received by the Corporation subsequent to January 1, 1964):

(a) Unless all accrued and unpaid dividends on Serial Preference Stock, including the full dividends for the current quarterly dividend period, shall have been declared and paid or a sum sufficient for payment thereof set apart; and

(b) Unless there shall be no arrearages with respect to the redemption of Serial Preference Stock of any series from any sinking fund provided for shares of such series in accordance with the provisions of Section 1 of this Division.

Section 4. (a) Subject to the express terms of each series, the Corporation may from time to time redeem all or any part of the Serial Preference Stock of any series at the time outstanding (i) at the option of the Board of Directors at the applicable redemption price for such series fixed in accordance with the provisions of Section 1 of this Division, or (ii) in fulfillment of the requirements of any sinking fund provided for shares of such series at the applicable sinking fund redemption price fixed in accordance with the provisions of Section 1 of this Division, together in each case with accrued dividends to the redemption date.

(b) Notice of every such redemption shall be mailed, postage prepaid, to the holders of record of the Serial Preference Stock to be redeemed at their respective addresses then

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appearing on the books of the Corporation, and shall be published at least once in a newspaper of general circulation in the City of New York, New York, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption. At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Serial Preference Stock to be redeemed with any bank or trust company in the City of Cleveland, Ohio, or the City of New York, New York, having capital and surplus of more than Five Million Dollars ($5,000,000), named in such notice, directed to be paid to the respective holders of the shares of Serial Preference Stock so to be redeemed, in amounts equal to the redemption price of all shares of Serial Preference Stock so to be redeemed, on surrender of the stock certificate or certificates held by such holders, and upon the making of such deposit such holders shall cease to be shareholders with respect to such shares, and after such notice shall have been given and such deposit shall have been made such holders shall have no interest in or claim against the Corporation with respect to such shares and shall be entitled only to receive such moneys from such bank or trust company without interest. In case less than all of the outstanding shares of Serial Preference Stock are to be redeemed, the Corporation shall select by lot the shares so to be redeemed in such manner as shall be prescribed by its Board of Directors.

If the holders of shares of Serial Preference Stock which shall have been called for redemption shall not, within six years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof and to such holders.

(c) Any shares of Serial Preference Stock which are redeemed by the Corporation pursuant to the provisions of this Section 4 and any shares of Serial Preference Stock which are purchased and delivered in satisfaction of any sinking fund requirements provided for shares of such series and any shares of Serial Preference Stock which are converted in accordance with the express terms thereof shall be cancelled and not reissued. Any shares of Serial Preference Stock otherwise acquired by the Corporation shall resume the status of authorized and unissued shares of Serial Preference Stock without serial designation.

Section 5. (a) Subject to the provisions of Section 3 of Division A hereof, the holders of the Serial Preference Stock of any series shall, in case of liquidation, dissolution or winding up of the affairs of the Corporation, be entitled to receive in full out of the assets of the Corporation, including its capital, before any amount shall be paid or distributed among the holders of the Common Stock or any other shares ranking junior to the Serial Preference Stock:

(i) in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation, the amounts fixed with respect to shares of such series in accordance with Section 1 of this Division; or

(ii) in the event of any involuntary liquidation, dissolution or winding up of the affairs of the Corporation, $100 per share;

plus in either event an amount equal to all dividends accrued and unpaid thereon to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up of the affairs of the Corporation. In case the net assets of the Corporation legally available therefor are insufficient to permit the payment upon all outstanding shares of Serial Preference Stock and Serial Preference Stock II of the full preferential amount to which they are respectively entitled, then such net assets shall be distributed ratably to all outstanding shares of Serial Preference Stock and Serial Preference Stock II in proportion to the full preferential amount to which each such share is entitled.

After payment to holders of Serial Preference Stock of the full preferential amounts as aforesaid, holders of Serial Preference Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(b) The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or the sale, lease or conveyance of all or substantially all the property of the Corporation, shall not be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section 5.

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Section 6. (a) The holders of Serial Preference Stock shall be entitled at all times to two votes for each share, and, except as otherwise provided herein or required by law, the holders of the Serial Preference Stock, the holders of Serial Preference Stock II and the holders of Common Stock of the Corporation shall vote together as one class on all matters, subject, however, to the special voting rights conferred upon the holders of Cumulative Preferred Stock as hereinabove provided in Sections 6 and 7 of Division A hereof and upon the holders of Serial Preference Stock II as hereinafter provided in Section 6 of Division C hereof.

If, and so often as, the Corporation shall be in default in the payment of the equivalent of six (6) full quarterly dividends on all shares of all series of Serial Preference Stock at the time outstanding, whether or not earned or declared, the holders of Serial Preference Stock of all series, voting separately as a class and in addition to all other rights to vote for Directors, shall be entitled to elect as herein provided, three (3) members of the Board of Directors of the Corporation; provided, however, that the holders of shares of Serial Preference Stock shall not have or exercise such special class voting rights except at meetings of the shareholders for the election of Directors at which the holders of not less than thirty-five per cent (35%) of the outstanding shares of Serial Preference Stock of all series then outstanding are present in person or by proxy; and provided further that the special class voting rights provided for herein when the same shall have become vested shall remain so vested until all accrued unpaid dividends on the Serial Preference Stock of all series then outstanding shall have been paid, whereupon the holders of the Serial Preference Stock shall be divested of their special class voting rights in respect of subsequent elections of Directors, subject to the revesting of such special class voting rights in the event hereinabove specified in this Section.

In the event of default entitling the holders of Serial Preference Stock to elect three (3) Directors as above specified, a special meeting of the shareholders for the purpose of electing such Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten per cent (10%) of the shares of Serial Preference Stock of all series at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders; provided, however, that the Corporation shall not be required to call such special meeting if the annual meeting of shareholders shall be held within ninety (90) days after the date of receipt of the foregoing written request from the holders of Serial Preference Stock. At any meeting at which the holders of the Serial Preference Stock shall be entitled to elect Directors, the holders of thirty-five per cent (35%) of the then outstanding shares of Serial Preference Stock of all series, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the members of the Board of Directors which the holders of the Serial Preference Stock are entitled to elect as hereinabove provided.

(b) The consent of the holders of at least two-thirds of the number of shares of Serial Preference Stock at the time outstanding given in person or by proxy, either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock are concerned, such action may be effected with such consent):

(i) Any amendment, alteration or repeal of any of the provisions of these Articles of Incorporation, as the same may at any time be amended, or of the Regulations of the Corporation which affects adversely the voting powers, rights or preferences of the holders of Serial Preference Stock or reduces the time for any notice to which the holders of Serial Preference Stock may be entitled; provided, however, that, for the purpose of this clause (i) only, neither the amendment of these Articles of Incorporation, as the same may at any time be amended, so as to authorize or create, or to increase the authorized amount of, Serial Preference Stock or of any shares of any class ranking on a parity with or junior to the Serial Preference Stock, nor the amendment of the provisions of the Regulations so as to increase the number of Directors of the Corporation, shall be deemed to affect adversely the voting powers, rights or preferences of the holders of the Serial Preference Stock; and provided further, that if such amendment, alteration or repeal affects adversely the rights or preferences of one or more but not all series of Serial Preference Stock at the time

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outstanding, only the consent of the holders of at least two-thirds of the number of the shares of the series so affected shall be required;

(ii) The authorization or creation of, or the increase in the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to the Serial Preference Stock; or

(iii) The purchase or redemption (for sinking fund purposes or otherwise) of less than all of the Serial Preference Stock then outstanding except in accordance with a stock purchase offer made to all holders of record of Serial Preference Stock, unless all dividends upon all Serial Preference Stock then outstanding for all previous quarterly dividend periods shall have been declared and paid or funds therefor set apart and all accrued sinking fund obligations applicable thereto shall have been complied with.

(c) The consent of the holders of at least a majority of the number of shares of Serial Preference Stock at the time outstanding, given in person or by proxy either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock are concerned, such action may be effected with such consent):

(i) The sale, lease or conveyance by the Corporation of all or substantially all of its property or business or the voluntary parting with the control thereof, or its consolidation with or merger into any other corporation unless the corporation resulting from such consolidation or merger will have after such consolidation or merger no class of shares either authorized or outstanding ranking prior to or on a parity with the Serial Preference Stock except the same number of shares ranking prior to or on a parity with the Serial Preference Stock and having the same rights and preferences as the shares of the Corporation authorized and outstanding immediately preceding such consolidation or merger, and each holder of Serial Preference Stock immediately preceding such consolidation or merger shall receive the same number of shares, with the same rights and preferences, of the resulting corporation; or

(ii) The authorization of any shares ranking on a parity with the Serial Preference Stock or an increase in the authorized number of shares of Serial Preference Stock.

Section 7. The holders of the Serial Preference Stock shall have no pre-emptive right to purchase or have offered to them for purchase any shares or other securities of the Corporation, whether now or hereafter authorized.

Section 8. For the purposes of this Division B:

Whenever reference is made to shares "ranking prior to the Serial Preference Stock", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends or as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are given preference over the rights of the holders of Serial Preference Stock; whenever reference is made to shares "on a parity with the Serial Preference Stock", such reference shall mean and include all shares of Serial Preference Stock II and all other shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation rank on an equality (except as to the amounts fixed therefor) with the rights of the holders of Serial Preference Stock; and whenever reference is made to shares "ranking junior to the Serial Preference Stock" such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are junior and subordinate to the rights of the holders of the Serial Preference Stock.

DIVISION B-1

Express Terms of $4.25 Cumulative Preference Stock, Series A, Convertible on or before June 15, 1979

There is hereby established a first series of Serial Preference Stock to which the following provisions shall be applicable:

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Section 1. *Designation of Series.* The series shall be designated "$4.25 Cumulative Preference Stock, Series A, Convertible on or before June 15, 1979" (herein called "Series A Preference Stock").

Section 2. *Number of shares.* The number of shares of Series A Preference Stock is 565,410, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Board of Directors.

Section 3. *Dividend Rate.* The dividend rate for Series A Preference Stock is $4.25 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on the Series A Preference Stock shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The Series A Preference Stock shall not be redeemable by the Corporation prior to June 15, 1969. Thereafter the redemption prices for the Series A Preference Stock shall be as follows:

If the Redemption Date is During 12 Month Period Beginning June 15:	Redemption Price	If the Redemption Date is During 12 Month Period Beginning June 15:	Redemption Price
1969	$105.00	1975	$102.00
1970	104.50	1976	101.50
1971	104.00	1977	101.00
1972	103.50	1978	100.50
1973	103.00	1979 and	
1974	102.50	thereafter	100.00

Section 6. *Liquidation Rights.* The amount payable on Series A Preference Stock in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to June 15, 1969 shall be $105.00 per share and thereafter shall be an amount equal to the redemption price for Series A Preference Stock in effect on the distribution date.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, the Series A Preference Stock may at the option of the holder, at any time on or before June 15, 1979, or in the case of shares called for redemption before that date, then until and including the day prior to the date fixed for redemption (but not thereafter if payment of the redemption price has been duly provided for by the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series A Preference Stock may exercise the conversion privilege in respect thereof by delivering to any transfer agent of the Series A Preference Stock (a) the share to be converted; (b) written notice that the holder elects to convert such share and stating the name or names (with address) in which the stock certificate for Common Stock is to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to in this Section as the "conversion date." On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of the Series A Preference Stock surrendered for conversion, or on his written order, a certificate for the number of full shares of Common Stock issuable upon the conversion of such Series A Preference Stock and a check or cash in respect of any fraction of a share as provided in subparagraphs (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series A Preference Stock or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of Series A Preference Stock. If more than one share of Series A Preference Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed

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on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any Series A Preference Stock, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $64.50 per share. The number of shares of Common Stock issuable upon conversion of one share of Series A Preference Stock shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) Except as provided in subparagraphs (C) and (E) below, whenever the Corporation shall issue or sell any Additional Shares as hereinafter defined for a consideration per share less than the conversion price then in effect, or without consideration, the conversion price in effect immediately prior to such issuance shall forthwith be adjusted to a price (computed to the nearest cent) determined by dividing

(1) an amount equal to the sum of (i) 3,553,321 shares, (ii) the number of shares of Common Stock delivered by the Corporation to Marlin-Rockwell Corporation and (iii) the number of shares of Common Stock delivered by the Corporation to Ross Gear and Tool Company, Inc. (the sum of such shares being herein called the "Base Shares"), multiplied by the initial conversion price of $64.50, plus the consideration, if any, received by the Corporation upon the issuance or sale of Additional Shares, by

(2) an amount equal to the Base Shares plus the number of Additional Shares which have been issued or sold;

provided, however, that, except as provided in subparagraph (B) (5) (iv) below, such adjustment shall be made only if the resulting quotient shall be less than the conversion price in effect immediately prior to the issue or sale of such Additional Shares.

(B) For the purposes of subparagraph (A) above, the following provisions shall be applicable:

(1) The term "Additional Shares" shall mean all shares of Common Stock issued by the Corporation in excess of the Base Shares, whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares now or hereafter held in the Corporation's treasury;

(ii) shares issued upon conversion of Series A Preference Stock;

(iii) shares issued under any stock option plan of the Corporation in effect on June 15, 1964, or pursuant to the exercise of any stock options heretofore granted by Marlin-Rockwell Corporation or Ross Gear and Tool Company, Inc.;

(iv) shares issued upon conversion of the 4⅞% Subordinated Debentures Due 1982 of the Corporation; and

(v) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares by the foregoing clauses (i) to (iv), inclusive, or this clause (v) or on shares resulting from any subdivision or combination of shares so excluded.

(2) In the case of issuance or sale of Additional Shares for cash (including shares issued pursuant to the exercise of options or rights expiring in less than 60 days from the date of issue thereof), the consideration shall be deemed to be the cash proceeds received by the Corporation after deducting underwriting discounts or commissions and other expenses paid or incurred by the Corporation in connection therewith.

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(3) In the case of issuance or sale of Additional Shares for a consideration other than cash, the amount of such consideration shall be deemed to be the fair value thereof as determined by the Board of Directors of the Corporation, for purposes of this subparagraph (B), irrespective of any accounting treatment.

(4) In the case of issuance of Additional Shares as a dividend, the shares shall be deemed to have been issued without consideration at the close of business on the dividend record date.

(5) If the Corporation issues options or rights (other than options or rights expiring in less than 60 days from the date of issue thereof) to subscribe for shares of Common Stock (excluding shares now or hereafter held in the Corporation's treasury and excluding shares issuable under any stock options referred to in clause (iii) of subparagraph (1) of this subparagraph (B)), or issues any securities (other than the Series A Preference Stock) convertible into or exchangeable for shares of Common Stock, and the consideration per share (determined as provided below) of the shares of Common Stock deliverable upon the exercise of such options or rights or upon such conversion or exchange is less than the conversion price in effect as to the Series A Preference Stock immediately prior to the issuance of such options, rights or convertible or exchangeable securities, or there shall be no consideration, then

(i) the aggregate number of shares of Common Stock deliverable under such options or rights (other than excluded options and rights) shall be considered to have been issued or sold at the time such options or rights were issued, and for a consideration equal to the minimum purchase price provided for in such options or rights, plus the consideration, if any (determined in the same manner provided in paragraphs (2) and (3) next preceding with respect to cash consideration and consideration other than cash) received by the Corporation for such options or rights;

(ii) the maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such securities shall be considered to have been issued at the time of issuance or sale of such securities and for a consideration equal to the consideration received by the Corporation for such securities, after deducting therefrom underwriting discounts or commissions and other expenses paid or incurred by the Corporation in connection with the issuance and sale of such securities, plus the additional consideration, if any (determined in the same manner provided in paragraphs (2) and (3) next preceding with respect to cash consideration and consideration other than cash) to be received by the Corporation upon the conversion or exchange thereof;

(iii) if at any time or from time to time prior to the expiration of such options or rights or of such conversion or exchange privileges, the number of shares of Common Stock deliverable upon exercise of such options, rights, or conversion or exchange privileges shall be increased beyond the number used in making the last computation under (i) or (ii) above with respect to such options, rights, or conversion or exchange privileges, or the consideration per share which was used in such computation shall be reduced, then the conversion price shall forthwith be readjusted to such conversion price as would have obtained had the adjustment made upon the issuance of such options, rights, or convertible or exchangeable securities been on the basis of such increased number of shares, or such reduced consideration, or both, as the case may be; and

(iv) on the expiration of such options or rights or the termination of such conversion or exchange privileges, with respect in either case to any shares involved in the computation previously made under (i), (ii), or (iii) above, the conversion price shall forthwith be readjusted to such conversion price as would have obtained had the adjustment made upon the issuance of such options, rights, or convertible or exchangeable securities been made on the basis of the issuance or sale of only the number of shares of Common Stock actually issued upon the exercise, plus the number of shares deliverable upon the subsequent exercise, of such options, rights, or conversion or exchange privileges.

(C) If the Corporation splits or combines the outstanding shares of Common Stock, the conversion price shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination.

(D) Whenever the conversion price is adjusted as herein provided, the Corporation shall forthwith place on file with each transfer agent of the Series A Preference Stock a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of Series A Preference Stock desiring an inspection thereof.

(E) No adjustment of the conversion price shall be made if the amount of such adjustment shall be less than 50¢, but in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with all adjustments so carried forward, shall amount to not less than 50¢. In case the Corporation shall at any time split or combine the outstanding shares of Common Stock, said amount of 50¢ (as theretofore decreased or increased) shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination, so as to appropriately reflect the same. For this purpose, a stock dividend of 25% or more shall be considered a split of the outstanding shares.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series A Preference Stock then outstanding shall have the right to convert such share into the same kind and amount of stock and other securities and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock of other securities or property into which the Series A Preference Stock shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of Series A Preference Stock for any provision in conformity therewith, or approved by, such firm of independent public accountants.

(g) The issue of stock certificates on conversions of Series A Preference Stock shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the Series A Preference Stock converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series A Preference Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preference Stock.

(i) Upon conversion of Series A Preference Stock the stated capital of the Common Stock issued upon such conversion shall be the aggregate par value thereof, and the

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stated capital of the Corporation shall be correspondingly increased or reduced to reflect the difference between the stated capital of the Series A Preference Stock so converted and the stated capital of the Common Stock issued upon conversion.

(j) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by twenty-five per cent (25%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period; or

(3) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in any one or more of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of Series A Preference Stock, at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

DIVISION B-2

Express Terms of $5.00 Cumulative Preference Stock, Series B, Convertible on or before June 15, 1982

There is hereby established a second series of Serial Preference Stock to which the following provisions shall be applicable:

Section 1. *Designation of Series.* The series shall be designated "$5.00 Cumulative Preference Stock, Series B, Convertible on or before June 15, 1982" (herein called "Series B Preference Stock").

Section 2. *Number of Shares.* The number of shares of Series B Preference Stock is 85,054, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Board of Directors.

Section 3. *Dividend Rate.* The dividend rate for Series B Preference Stock is $5.00 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on the Series B Preference Stock shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The Series B Preference Stock shall not be redeemable by the Corporation prior to June 15, 1973. Thereafter the redemption prices for the Series B Preference Stock shall be as follows:

If the Redemption Date is During 12-Month Period Beginning June 15:	Redemption Price	If the Redemption Date is During 12-Month Period Beginning June 15:	Redemption Price
1973	$105.00	1978	$102.50
1974	104.50	1979	102.00
1975	104.00	1980	101.50
1976	103.50	1981 and thereafter	100.00
1977	103.00		

Section 6. *Liquidation Rights.* The amount payable on Series B Preference Stock in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to June 15, 1973 shall be $105.00 per share and thereafter shall be an amount equal to the redemption price for Series B Preference Stock in effect on the distribution date.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, the Series B Preference Stock may at the option of the holder, at any time on or before June 15, 1982, or in the case of shares called for redemption before that date, then until and including the day prior to the date fixed for redemption (but not thereafter if payment of the redemption price has been duly provided for by

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the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series B Preference Stock may exercise the conversion privilege in respect thereof by delivering to any transfer agent of the Series B Preference Stock (i) the share to be converted, (ii) written notice that the holder elects to convert such share and stating the name or names (with address) in which the stock certificate for Common Stock is to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of the Series B Preference Stock surrendered for conversion, or on his written order, a certificate for the number of full shares of Common Stock issuable upon the conversion of such Series B Preference Stock and a check or cash in respect of any fraction of a share as provided in paragraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series B Preference Stock or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of Series B Preference Stock. If more than one share of Series B Preference Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any Series B Preference Stock, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $62.85 per share. The number of shares of Common Stock issuable upon conversion of one share of Series B Preference Stock shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) If the Corporation splits or combines the outstanding shares of Common Stock, the conversion price shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination. For this purpose, any stock dividend shall be considered a split of the outstanding shares.

(B) Whenever the conversion price is adjusted as herein provided the Corporation shall forthwith place on file with each transfer agent of the Series B Preference Stock a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of Series B Preference Stock desiring an inspection thereof.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving corporation and which does not results in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series B Preference Stock then outstanding shall have the right to convert such share into the same kind and amount of stock and other securities

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and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock or other securities or property into which the Series B Preference Stock shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of Series B Preference Stock for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of Series B Preference Stock shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the Series B Preference Stock converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series B Preference Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series B Preference Stock.

(i) Upon conversion of Series B Preference Stock the stated capital of the Common Stock issued upon such conversion shall be the aggregate par value thereof, and the stated capital of the Corporation shall be correspondingly increased or reduced to reflect the difference between the stated capital of the Series B Preference Stock so converted and the stated capital of the Common Stock issued upon conversion.

(j) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by twenty-five per cent (25%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period; or

(3) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in any one or more of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of Series B Preference Stock, at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

DIVISION C

Express Terms of Serial Preference Stock II

Section 1. The Serial Preference Stock II shall be deemed to be junior to the Cumulative Preferred Stock within the meaning of subparagraph (m) of Section 9 of Division A of this Article Fourth. The Serial Preference Stock II may be issued from time to time in one or more series. All shares of Serial Preference Stock II shall be of equal rank and shall be identical, except in respect of the particulars that may be fixed and determined

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by the Board of Directors as hereinafter provided, and each share of each series shall be identical in all respects with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Serial Preference Stock II shall also be of equal rank and shall be identical with shares of Serial Preference Stock except in respect of (1) the particulars that may be fixed and determined by the Board of Directors as hereinafter provided, and (2) the voting rights and provisions for consents relating to Serial Preference Stock II, as fixed and determined by Section 6 of this Division. Subject to the provisions of Sections 2 to 8, both inclusive, of this Division, which provisions shall apply to all Serial Preference Stock II, the Board of Directors hereby is empowered to cause the same to be issued in one or more series and with respect to each such series prior to the issuance thereof to fix and determine:

(a) The designation of the series, which may be by distinguishing number, letter or title.

(b) The number of shares of the series, which number may be increased (except where otherwise provided by the Board of Directors in creating the series) or decreased (but not below the number of shares thereof then outstanding) by like action of the Board of Directors.

(c) The annual dividend rate of the series.

(d) The date at which dividends, if declared, shall be payable.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(g) The amounts payable on shares of the series in the event of any liquidation, dissolution or winding up of the affairs of the Corporation.

(h) Whether the shares of the series shall be convertible into Common Stock, and, if so, the conversion price or prices and the adjustments thereof, if any, and all other terms and conditions upon which such conversion may be made.

(i) Restrictions (in addition to those set forth in Section 6(b) and 6(c) of this Division) on the issuance of shares of the same series or of any other class or series.

The Board of Directors is authorized to adopt from time to time amendments to the Articles of Incorporation of the Corporation fixing and determining, with respect to each such series, the matters described in clauses (a) to (i), both inclusive, of this Section 1.

Section 2. The holders of the Serial Preference Stock II of each series, subject to the prior preference as to dividends of the Cumulative Preferred Stock, in preference to the holders of Common Stock and of any other class of shares ranking junior to the Serial Preference Stock II, shall be entitled to receive out of any funds legally available for Serial Preference Stock II and Serial Preference Stock and when and as declared by the Board of Directors dividends in cash at the rate for such series fixed in accordance with the provisions of Section 1 of this Division and no more, payable quarterly on the dates fixed for such series. Such dividends shall be cumulative, in the case of shares of each particular series, from and after the date of issuance thereof. No dividends may be paid upon or declared or set apart for any of the Serial Preference Stock II for any quarterly dividend period unless at the same time (i) a like proportionate dividend for the same quarterly dividend period, ratably in proportion to the respective annual dividend rates fixed therefor, shall be paid upon or declared or set apart for all Serial Preference Stock II of all series then issued and outstanding and entitled to receive such dividend, and (ii) the dividend payable during the same quarterly dividend period upon all Serial Preference Stock of all series then issued and outstanding at the rate and upon the date as fixed and determined by the Board of Directors as provided in Section 1 of Division B hereof shall be paid upon or declared or set apart for all such Serial Preference Stock entitled to receive such dividend.

Section 3. In no event so long as any Serial Preference Stock II shall be outstanding shall any dividends, except a dividend payable in Common Stock or other shares ranking junior to the Serial Preference Stock II, be paid or declared or any distribution be made except as aforesaid on the Common Stock or any other shares ranking junior to the Serial Preference Stock II, nor shall any Common Stock or any other shares ranking junior to the Serial Preference Stock II be purchased, retired or otherwise acquired by the Corporation (except out of the proceeds of the sale of Common Stock or other shares ranking junior to the Serial Preference Stock II received by the Corporation subsequent to January 1, 1964):

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(a) Unless all accrued and unpaid dividends on Serial Preference Stock II, including the full dividends for the current quarterly dividend period, shall have been declared and paid or a sum sufficient for payment thereof set apart; and

(b) Unless there shall be no arrearages with respect to the redemption of Serial Preference Stock II of any series from any sinking fund provided for shares of such series in accordance with the provisions of Section 1 of this Division.

Section 4. (a) Subject to the express terms of each series, the Corporation may from time to time redeem all or any part of the Serial Preference Stock II of any series at the time outstanding (i) at the option of the Board of Directors at the applicable redemption price for such series fixed in accordance with the provisions of Section 1 of this Division, or (ii) in fulfillment of the requirements of any sinking fund provided for shares of such series at the applicable sinking fund redemption price fixed in accordance with the provisions of Section 1 of this Division, together in each case with accrued dividends to the redemption date.

(b) Notice of every such redemption shall be mailed, postage prepaid, to the holders of record of the Serial Preference Stock II to be redeemed at their respective addresses then appearing on the books of the Corporation, and shall be published at least once in a newspaper of general circulation in the City of New York, New York, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption. At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Serial Preference Stock II to be redeemed with any bank or trust company in the City of Cleveland, Ohio, or the City of New York, New York, having capital and surplus of more than Five Million Dollars ($5,000,000), named in such notice, directed to be paid to the respective holders of the shares of Serial Preference Stock II so to be redeemed, in amounts equal to the redemption price of all shares of Serial Preference Stock II so to be redeemed, on surrender of the stock certificate or certificates held by such holders, and upon the making of such deposit such holders shall cease to be shareholders with respect to such shares, and after such notice shall have been given and such deposit shall have been made such holders shall have no interest in or claim against the Corporation with respect to such shares and shall be entitled only to receive such moneys from such bank or trust company without interest. In case less than all of the outstanding shares of Serial Preference Stock II are to be redeemed, the Corporation shall select by lot the shares so to be redeemed in such manner as shall be prescribed by its Board of Directors.

If the holders of shares of Serial Preference Stock II which shall have been called for redemption shall not, within six years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof and to such holders.

(c) Any shares of Serial Preference Stock II which are redeemed by the Corporation pursuant to the provisions of this Section 4 and any shares of Serial Preference Stock II which are purchased and delivered in satisfaction of any sinking fund requirements provided for shares of such series and any shares of Serial Preference Stock II which are converted in accordance with the express terms thereof shall be cancelled and not reissued. Any shares of Serial Preference Stock II otherwise acquired by the Corporation shall resume the status of authorized and unissued shares of Serial Preference Stock II without serial designation.

Section 5. (a) Subject to the provisions of Section 3 of Division A hereof, the holders of the Serial Preference Stock II of any series shall, in case of liquidation, dissolution or winding up of the affairs of the Corporation, be entitled to receive in full out of the assets of the Corporation, including its capital, before any amount shall be paid or distributed among the holders of the Common Stock or any other shares ranking junior to the Serial Preference Stock II, the amounts fixed with respect to shares of such series in accordance with Section 1 of this Division, plus an amount equal to all dividends accrued and unpaid thereon to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up of the affairs of the Corporation. In case the net assets of the Corporation legally available therefor are insufficient to permit the payment upon all outstanding shares of Serial Preference Stock and Serial Preference Stock II of the full preferential amount to which they are respectively entitled, then such net assets shall be distributed ratably to all outstanding shares of Serial Preference Stock and Serial Preference Stock II in proportion to the full preferential amount to which each such share is entitled.

After payment to holders of Serial Preference Stock II of the full preferential amounts as aforesaid, holders of Serial Preference Stock II as such shall have no right or claim to any of the remaining assets of the Corporation.

(b) The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or the sale, lease or conveyance of all or substantially all the property of the Corporation, shall not be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section 5.

Section 6. (a) The holders of Serial Preference Stock II shall be entitled at all times to one vote for each share, and, except as otherwise provided herein or required by law, the holders of the Serial Preference Stock II, the holders of Serial Preference Stock and the holders of Common Stock shall vote together as one class on all matters, subject, however, to the special voting rights conferred upon the holders of Cumulative Preferred Stock as hereinabove provided in Sections 6 and 7 of Division A hereof and upon the holders of Serial Preference Stock as hereinabove provided in Section 6 of Division B hereof.

If, and so often as, the Corporation shall be in default in the payment of the equivalent of six (6) full quarterly dividends on all shares of all series of Serial Preference Stock II at the time outstanding, whether or not earned or declared, the holders of Serial Preference Stock II of all series, voting separately as a class and in addition to all other rights to vote for Directors, shall be entitled to elect as herein provided, three (3) members of the Board of Directors of the Corporation; provided, however, that the holders of shares of Serial Preference Stock II shall not have or exercise such special class voting rights except at meetings of the shareholders for the election of Directors at which the holders of not less than thirty-five per cent (35%) of the outstanding shares of Serial Preference Stock II of all series then outstanding are present in person or by proxy; and provided further that the special class voting rights provided for herein when the same shall have become vested shall remain so vested until all accrued unpaid dividends on the Serial Preference Stock II of all series then outstanding shall have been paid, whereupon the holders of the Serial Preference Stock II shall be divested of their special class voting rights in respect of subsequent elections of Directors, subject to the revesting of such special class voting rights in the event hereinabove specified in this Section.

In the event of default entitling the holders of Serial Preference Stock II to elect three (3) Directors as above specified, a special meeting of the shareholders for the purpose of electing such Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten per cent (10%) of the shares of Serial Preference Stock II of all series at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders; provided, however, that the Corporation shall not be required to call such special meeting if the annual meeting of shareholders shall be held within ninety (90) days after the date of receipt of the foregoing written request from the holders of Serial Preference Stock II. At any meeting at which the holders of the Serial Preference Stock II shall be entitled to elect Directors, the holders of thirty-five per cent (35%) of the then outstanding shares of Serial Preference Stock II of all series, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the members of the Board of Directors which the holders of the Serial Preference Stock II are entitled to elect as hereinabove provided.

(b) The consent of the holders of at least two-thirds of the number of shares of Serial Preference Stock II at the time outstanding given in person or by proxy, either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock II shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock II are concerned, such action may be effected with such consent):

(i) Any amendment, alteration or repeal of any of the provisions of these Articles of Incorporation, as the same may at any time be amended, or of the Regulations of the Corporation which affects adversely the voting powers, rights or preferences of the holders of Serial Preference Stock II or reduces the time for any notice to which the holders of Serial Preference Stock II may be entitled; provided, however, that neither the amendment of these Articles of Incorporation, as the same may at any time be amended, so as to authorize or create, or to increase the author-

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ized amount of, Serial Preference Stock II or of any shares of any class ranking on a parity with or junior to the Serial Preference Stock II, nor the amendment of the provisions of the Regulations so as to increase the number of Directors of the Corporation, shall be deemed to affect adversely the voting powers, rights or preferences of the holders of the Serial Preference Stock II; and provided further, that if such amendment, alteration or repeal affects adversely the rights or preferences of one or more but not all series of Serial Preference Stock II at the time outstanding, only the consent of the holders of at least two-thirds of the number of the shares of the series so affected shall be required;

(ii) The authorization or creation of, or the increase in the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to the Serial Preference Stock II; or

(iii) The purchase or redemption (for sinking fund purposes or otherwise) of less than all of the Serial Preference Stock II then outstanding except in accordance with a stock purchase offer made to all holders of record of Serial Preference Stock II, unless all dividends upon all Serial Preference Stock II then outstanding for all previous quarterly dividend periods shall have been declared and paid or funds therefor set apart and all accrued sinking fund obligations applicable thereto shall have been complied with.

(c) The consent of the holders of at least a majority of the number of shares of Serial Preference Stock II at the time outstanding, given in person or by proxy either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock II shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock II are concerned, such action may be effected with such consent):

(i) The sale, lease or conveyance by the Corporation of all or substantially all of its property or business or the voluntary parting with the control thereof, or its consolidation with or merger into any other corporation unless the corporation resulting from such consolidation or merger will have after such consolidation or merger no class of shares either authorized or outstanding ranking prior to or on a parity with the Serial Preference Stock II except the same number of shares ranking prior to or on a parity with the Serial Preference Stock II and having the same rights and preferences as the shares of the Corporation authorized and outstanding immediately preceding such consolidation or merger, and each holder of Serial Preference Stock II immediately preceding such consolidation or merger shall receive the same number of shares, with the same rights and preferences, of the resulting corporation; or

(ii) The authorization of any shares ranking on a parity with the Serial Preference Stock II or an increase in the authorized number of shares of Serial Preference Stock II.

(d) Neither the consent of, nor any adjustment of the voting rights of, holders of shares of Serial Preference Stock II shall be required for an increase in the number of shares of Common Stock authorized or issued or for stock splits of the Common Stock or for stock dividends on any class of stock payable solely in Common Stock, and none of the foregoing actions shall be deemed to affect adversely the voting powers, rights or preferences of Serial Preference Stock II within the meaning and for the purpose of this Division C.

Section 7. The holders of the Serial Preference Stock II shall have no pre-emptive right to purchase or have offered to them for purchase any shares or other securities of the Corporation, whether now or hereafter authorized.

Section 8. For the purposes of this Division C:

Whenever reference is made to shares "ranking prior to the Serial Preference Stock II", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends or as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are given preference over the rights of the holders of Serial Preference Stock II; whenever reference is made to shares "on a parity with the Serial Preference Stock II", such reference shall mean and include all shares of Serial Preference Stock and all other shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation rank on an equality (except as to the amounts fixed

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therefor) with the rights of the holders of the Serial Preference Stock II; and whenever reference is made to shares "ranking junior to the Serial Preference Stock II", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are junior and subordinate to the rights of the holders of the Serial Preference Stock II.

DIVISION C-1

Express Terms of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1

There is hereby established a first series of Serial Preference Stock II, to which the following provisions shall be applicable:

Section 1. *Designation of Series.* The series shall be designated "Cumulative Serial Preference Stock II, $4.40 Convertible Series 1" (herein called "Series 1").

Section 2. *Number of Shares.* The number of shares of Series 1 is 1,820,000, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Directors.

Section 3. *Dividend Rate.* The dividend rate for Series 1 is $4.40 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on Series 1 shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The shares of Series 1 shall not be redeemable by the Corporation prior to March 15, 1974. Thereafter the redemption prices for shares of Series 1 shall be as follows:

If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price	If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price
1974	$112.00	1977	$106.00
1975	110.00	1978 and thereafter	104.00
1976	108.00		

Section 6. *Liquidation Rights.* The amount payable on shares of Series 1 in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to March 15, 1974 shall be $112.00 per share and thereafter shall be an amount equal to the redemption price for shares of Series 1 in effect on the distribution date, and in the event of any involuntary liquidation, dissolution or winding up of the Corporation shall be $104.00 per share.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, shares of Series 1 may at the option of the holder at any time (or, in the case of shares called for redemption, then until and including the close of business on the date fixed for redemption but not thereafter if payment of the redemption price has been duly provided for by the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series 1 may exercise the conversion privilege in respect thereof by delivering to any transfer agent of Series 1 the share to be converted accompanied by written notice that the holder elects to convert such share. Conversion shall be deemed to have been effected immediately prior to the close of business on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of shares of Series 1 surrendered for conversion, or on his written order, a certificate for the number of full shares of

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Common Stock issuable upon the conversion of such shares of Series 1 and a check or cash in respect of any fraction of a share as provided in paragraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series 1 or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of shares of Series 1. If more than one share of Series 1 shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any shares of Series 1, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $90.909 per share (this initial conversion price being herein called the "base conversion price"). The number of shares of Common Stock issuable upon conversion of one share of Series 1 shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) Except as provided in subparagraphs (C), (E) and (F) below, whenever the Corporation shall issue or sell any Additional Shares as hereinafter defined for a consideration per share less than the conversion price then in effect, or without consideration, the conversion price in effect immediately prior to such issuance shall forthwith be adjusted as follows:

(1) Multiply the base conversion price by the sum of (i) the total number of shares of Common Stock outstanding (excluding shares held in the Corporation's treasury) on November 16, 1967 and (ii) the total number of shares of Common Stock then issuable upon conversion of any shares of Serial Preference Stock then outstanding (the sum of such shares being herein called the "Base Shares"), then

(2) Add to the result so obtained the total consideration received by the Corporation for all Additional Shares, and then

(3) Divide such result by the sum of the number of Base Shares and the number of Additional Shares, disregarding in the quotient so obtained fractions of one cent;

provided, however, that such adjustment shall be made only if the resulting quotient shall be less than the conversion price in effect immediately prior to the issue or sale of such Additional Shares.

(B) For the purposes of subparagraph (A) above, the following provisions shall be applicable:

(1) The term "Additional Shares" shall mean all shares of Common Stock issued by the Corporation (whether or not the consideration therefor, if any, is less per share than the base conversion price) in excess of the Base Shares, whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares now or hereafter held in the Corporation's treasury;

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(ii) shares issued pursuant to any employees' stock purchase plan or any employees' stock option plan heretofore or hereafter adopted or approved by the shareholders of the Corporation and shares issued pursuant to any employees' stock purchase plan or employees' stock option agreement heretofore or hereafter assumed by the Corporation, including in the case of any plan or agreement covered by this clause (ii) shares of Common Stock issued upon the conversion of convertible securities so issued;

(iii) except as provided in paragraph (4) below, shares of Common Stock issued in connection with the acquisition by the Corporation of the properties, assets and business of another corporation, firm or other entity as a going concern (whether such acquisition is by way of a merger, combination or majority share acquisition or otherwise) and shares of Common Stock issued upon conversion of any convertible securities issued by the Corporation in connection with any such acquisition (as used herein, the terms "combination" and "majority share acquisition" shall have the meanings set forth in Section 1701.01 of the Ohio Revised Code); and

(iv) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares by the foregoing clauses (i), (ii) and (iii) or this clause (iv) or on shares resulting from any subdivision or combination of shares so excluded.

(2) In case of the issuance or sale of Additional Shares for cash, the consideration therefor shall be deemed to be the amount of cash received by the Corporation for such shares (or, if such Additional Shares are offered by the Corporation for subscription, the subscription price, or, if such Additional Shares are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred by the Corporation in connection therewith.

(3) Subject to the provisions of paragraph (4) below, in the case of issuance or sale of Additional Shares for a consideration other than cash, the amount of such consideration shall be deemed to be the fair value thereof as determined by the Directors of the Corporation, for purposes of this subparagraph (B), irrespective of any accounting treatment.

(4) Subject to clause (iii) of this paragraph (4):

(i) any shares of Common Stock issued in connection with any merger of IRC, Inc. into the Corporation shall constitute Additional Shares and shall be deemed to have been issued for a consideration equal to the conversion price in effect immediately prior to the issuance of such Additional Shares;

(ii) in the case of the issuance of any shares of Preference Stock II in connection with any merger of United-Carr Incorporated or IRC, Inc. into the Corporation, any shares of Common Stock into which such shares of Preference Stock II are initially convertible shall constitute Additional Shares and shall be deemed to have been issued at the time of the issuance of such shares of Preference Stock II for a consideration equal to the conversion price of Series 1 in effect immediately prior to the issuance of such shares of Preference Stock II; and

(iii) no shares of Common Stock covered by clauses (i) or (ii) of this paragraph (4) in excess of an aggregate of 1,221,569 shares (proportionately adjusted to reflect any split or combination of, or stock dividend paid on, the Common Stock prior to the effective dates of said mergers) shall at any time constitute Additional Shares.

(5) In the case of issuance of Additional Shares as a stock dividend of 15% or less, the shares shall be deemed to have been issued without consideration at the close of business on the dividend record date.

(6) Subject to the provisions of paragraph (4) above, in the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation, the amount of consideration received by the Corporation shall be deemed to be the total of (a) the amount of consideration, if any, received by the Corporation upon the issuance of such other securities, plus (b) the amount of the consideration, if any, other than such other securities, received by the Corporation upon such conversion or exchange. In determining the amount of the consideration received by the Corporation upon the issuance of such other securities the amount of the consideration in cash and other than cash shall be determined pursuant to paragraphs (2) and (3) above. If securities of the same class or series of a class as such other securities were issued for different amounts of consideration (determined as above provided), or if some were issued for no consideration, then the amount of the consideration received by the Corporation upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the Corporation upon the issuance of all the securities of such class or series, as the case may be.

(C) If the Corporation splits or combines the outstanding shares of Common Stock, then as of the close of business on the effective date of such split or combination the conversion price shall be proportionately decreased in the case of a split or increased in the case of a combination. A stock dividend of more than 15% shall be considered a stock split and the effective date shall be deemed to be the close of business on the dividend record date.

(D) Whenever the conversion price is adjusted as herein provided, the Corporation shall forthwith place on file with each transfer agent of shares of Series 1 a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of shares of Series 1 desiring an inspection thereof. The Corporation shall also cause a notice, stating that such adjustment has been effected and setting forth the adjusted conversion price, to be published at least once in a newspaper printed in the English language and customarily published at least once a day for at least five days in each calendar week, which shall be of general circulation in the Borough of Manhattan, the City of New York (herein called an "Authorized Newspaper").

(E) In the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation as provided in paragraph (6) of subparagraph (B) above, the conversion price shall be adjusted to reflect the issuance of such Additional Shares only on the 15th day of each calendar month to reflect all such conversions or exchanges through the preceding calendar month. Upon the redemption of any shares of Series 1, the conversion price shall be adjusted to reflect the issuance of such Additional Shares as of a date not earlier than the close of business on the fifth business day preceding the mailing of the notice of redemption.

(F) No adjustment of the conversion price shall be made if the amount of such adjustment shall be less than 50¢, but in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with all adjustments so carried forward shall amount to not less than 50¢. In case the Corporation shall at any time split or combine the outstanding shares of Common Stock, said amount of 50¢ (as theretofore decreased or increased) shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination, so as to appropriately reflect the same. For this purpose, a stock dividend of more than 15% shall be considered a split of the outstanding shares.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in

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which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series 1 then outstanding shall have the right to convert such share into the same kind and amount of stock and other securities and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock or other securities or property into which shares of Series 1 shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of shares of Series 1 for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of shares of Series 1 shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the shares of Series 1 converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized and unissued stock or out of shares held in its treasury, for the purpose of effecting the conversion of shares of Series 1 such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series 1.

(i) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in either of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of shares of Series 1 at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

(j) In case the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by fifty per cent (50%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period, it shall cause notice thereof to be published at least once in an Authorized Newspaper

DIVISION C-2

Express Terms of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2

There is hereby established a second series of Serial Preference Stock II, to which the following provisions shall be applicable:

Section 1. *Designation of Series.* The series shall be designated "Cumulative Serial Preference Stock II, $4.40 Convertible Series 2" (herein called "Series 2").

Section 2. *Number of Shares.* The number of shares of Series 2 is 410,000, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Directors.

Section 3. *Dividend Rate.* The dividend rate for Series 2 is $4.40 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on Series 2 shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The shares of Series 2 shall not be redeemable by the Corporation prior to March 15, 1974. Thereafter the redemption prices for shares of Series 2 shall be as follows:

If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price	If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price
1974	$112.00	1977	$106.00
1975	110.00	1978 and thereafter	104.00
1976	108.00		

Section 6. *Liquidation Rights.* The amount payable on shares of Series 2 in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to March 15, 1974 shall be $112.00 per share and thereafter shall be an amount equal to the redempton price for shares of Series 2 in effect on the distribution date, and in the event of any involuntary liquidation, dissolution or winding up of the Corporation shall be $104.00 per share.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, shares of Series 2 may at the option of the holder at any time (or, in the case of shares called for redemption, then until and including the close of business on the date fixed for redemption but not thereafter if payment of the redemption price has been duly provided for by the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series 2 may exercise the conversion privilege in respect thereof by delivering to any transfer agent of Series 2 the share to be converted accompanied by written notice that the holder elects to convert such share. Conversion shall be deemed to have been effected immediately prior to the close of business on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of shares of Series 2 surrendered for conversion, or on his written order, a certificate for the number of full shares of Common Stock issuable upon the conversion of such shares of Series 2 and a check or cash in respect of any fraction of a share as provided in paragraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series 2 or for dividends on the shares of Common Stock issued on conversion.

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(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of shares of Series 2. If more than one share of Series 2 shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any shares of Series 2, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $90.909 per share (this initial conversion price being herein called the "base conversion price"). The number of shares of Common Stock issuable upon conversion of one share of Series 2 shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) Except as provided in subparagraphs (C), (E) and (F) below, whenever the Corporation shall issue or sell any Additional Shares as hereinafter defined for a consideration per share less than the conversion price then in effect, or without consideration, the conversion price in effect immediately prior to such issuance shall forthwith be adjusted as follows:

(1) Multiply the base conversion price by the sum of (i) the total number of shares of Common Stock outstanding (excluding shares held in the Corporation's treasury) on November 16, 1967 and (ii) the total number of shares of Common Stock then issuable upon conversion of any shares of Serial Preference Stock then outstanding (the sum of such shares being herein called the "Base Shares"), then

(2) Add to the result so obtained the total consideration received by the Corporation for all Additional Shares, and then

(3) Divide such result by the sum of the number of Base Shares and the number of Additional Shares, disregarding in the quotient so obtained fractions of one cent;

provided, however, that such adjustment shall be made only if the resulting quotient shall be less than the conversion price in effect immediately prior to the issue or sale of such Additional Shares.

(B) For the purposes of subparagraph (A) above, the following provisions shall be applicable:

(1) The term "Additional Shares" shall mean all shares of Common Stock issued by the Corporation (whether or not the consideration therefor, if any, is less per share than the base conversion price) in excess of the Base Shares, whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares now or hereafter held in the Corporation's treasury;

(ii) shares issued pursuant to any employees' stock purchase plan or any employees' stock option plan heretofore or hereafter adopted or approved by the shareholders of the Corporation and shares issued pursuant to any employees' stock purchase plan or employees' stock option agreement heretofore or hereafter assumed by the Corporation, including in the case of any plan or agreement covered by this clause (ii) shares of Common Stock issued upon the conversion of convertible securities so issued;

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(iii) except as provided in paragraph (4) below, shares of Common Stock issued in connection with the acquisition by the Corporation of the properties, assets and business of another corporation, firm or other entity as a going concern (whether such acquisition is by way of a merger, combination or majority share acquisition or otherwise) and shares of Common Stock issued upon conversion of any convertible securities issued by the Corporation in connection with any such acquisition (as used herein, the terms "combination" and "majority share acquisition" shall have the meanings set forth in Section 1701.01 of the Ohio Revised Code); and

(iv) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares by the foregoing clauses (i), (ii) and (iii) or this clause (iv) or on shares resulting from any subdivision or combination of shares so excluded.

(2) In case of the issuance or sale of Additional Shares for cash, the consideration therefor shall be deemed to be the amount of cash received by the Corporation for such shares (or, if such Additional Shares are offered by the Corporation for subscription, the subscription price, or, if such Additional Shares are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred by the Corporation in connection therewith.

(3) Subject to the provisions of paragraph (4) below, in the case of issuance or sale of Additional Shares for a consideration other than cash, the amount of such consideration shall be deemed to be the fair value thereof as determined by the Directors of the Corporation, for purposes of this subparagraph (B), irrespective of any accounting treatment.

(4) Subject to clause (iii) of this paragraph (4):

(i) any shares of Common Stock issued in connection with any merger of IRC, Inc. into the Corporation shall constitute Additional Shares and shall be deemed to have been issued for a consideration equal to the conversion price in effect immediately prior to the issuance of such Additional Shares;

(ii) in the case of the issuance of any shares of Preference Stock II in connection with any merger of United-Carr Incorporated or IRC, Inc. into the Corporation, any shares of Common Stock into which such shares of Preference Stock II are initially convertible shall constitute Additional Shares and shall be deemed to have been issued at the time of the issuance of such shares of Preference Stock II for a consideration equal to the conversion price of Series 2 in effect immediately prior to the issuance of such shares of Preference Stock II; and

(iii) no shares of Common Stock covered by clauses (i) or (ii) of this paragraph (4) in excess of an aggregate of 1,221,569 shares (proportionately adjusted to reflect any split or combination of, or stock dividend paid on, the Common Stock prior to the effective dates of said mergers) shall at any time constitute Additional Shares.

(5) In the case of issuance of Additional Shares as a stock dividend of 15% or less, the shares shall be deemed to have been issued without consideration at the close of business on the dividend record date.

(6) Subject to the provisions of paragraph (4) above, in the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation, the amount of consideration received by the Corporation shall be deemed to be the total of (a) the amount of consideration, if any, received by the Corporation upon the issuance of such other securities, plus (b) the amount of the consideration, if any, other than such other securities, received by the Corporation upon such conversion or exchange.

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In determining the amount of the consideration received by the Corporation upon the issuance of such other securities the amount of the consideration in cash and other than cash shall be determined pursuant to paragraphs (2) and (3) above. If securities of the same class or series of a class as such other securities were issued for different amounts of consideration (determined as above provided), or if some were issued for no consideration, then the amount of the consideration received by the Corporation upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the Corporation upon the issuance of all the securities of such class or series, as the case may be.

(C) If the Corporation splits or combines the outstanding shares of Common Stock, then as of the close of business on the effective date of such split or combination the conversion price shall be proportionately decreased in the case of a split or increased in the case of a combination. A stock dividend of more than 15% shall be considered a stock split and the effective date shall be deemed to be the close of business on the dividend record date.

(D) Whenever the conversion price is adjusted as herein provided, the Corporation shall forthwith place on file with each transfer agent of shares of Series 2 a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of shares of Series 2 desiring an inspection thereof. The Corporation shall also cause a notice, stating that such adjustment has been effected and setting forth the adjusted conversion price, to be published at least once in a newspaper printed in the English language and customarily published at least once a day for at least five days in each calendar week, which shall be of general circulation in the Borough of Manhattan, the City of New York (herein called an "Authorized Newspaper").

(E) In the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation as provided in paragraph (6) of subparagraph (B) above, the conversion price shall be adjusted to reflect the issuance of such Additional Shares only on the 15th day of each calendar month to reflect all such conversions or exchanges through the preceding calendar month. Upon the redemption of any shares of Series 2, the conversion price shall be adjusted to reflect the issuance of such Additional Shares as of a date not earlier than the close of business on the fifth business day preceding the mailing of the notice of redemption.

(F) No adjustment of the conversion price shall be made if the amount of such adjustment shall be less than 50¢, but in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with all adjustments so carried forward shall amount to not less than 50¢. In case the Corporation shall at any time split or combine the outstanding shares of Common Stock, said amount of 50¢ (as theretofore decreased or increased) shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination, so as to appropriately reflect the same. For this purpose, a stock dividend of more than 15% shall be considered a split of the outstanding shares.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series 2 then outstanding shall have the right to convert such share into the same kind and amount of stock and other

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securities and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock or other securities or property into which shares of Series 2 shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of shares of Series 2 for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of shares of Series 2 shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the shares of Series 2 converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized and unissued stock or out of shares held in its treasury, for the purpose of effecting the conversion of shares of Series 2 such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series 2.

(i) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in either of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of shares of Series 2 at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

(j) In case the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by fifty per cent (50%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period, it shall cause notice thereof to be published at least once in an Authorized Newspaper.

DIVISION D

Express Terms of Common Stock

The Common Stock shall be subject to the express terms of the Cumulative Preferred Stock and to the express terms of the Serial Preference Stock and any series thereof and to the express terms of the Serial Preference Stock II and any series thereof. Each share of Common Stock shall be equal to every other share of Common Stock; and the holders thereof shall be entitled to one vote for each share of such stock on all questions presented to the shareholders.

The holders of shares of Common Stock shall have no pre-emptive right to purchase or have offered to them for purchase any shares of Common Stock which at any time shall be required for issuance or be issued in fulfillment of the provisions of (a) the Corporation's 4⅞% Subordinated Debentures Due 1982 (convertible into Common Stock until August 1, 1967), or (b) any option or options or other rights to purchase Common Stock granted to officers and employees of the Corporation or any of its subsidiaries pursuant to any stock option or employees' stock purchase plan adopted or approved at any meeting of shareholders by a majority vote of the shareholders of the Corporation entitled to vote thereon, or (c) any series of the Corporation's Serial Preference Stock or Serial Preference Stock II.

Fifth: The Corporation may from time to time, pursuant to authorization by its Board of Directors and without action by the shareholders, purchase or otherwise acquire shares of the Corporation of any class; subject, however, to such limitation or restriction, if any, as is contained in the express terms of any class of shares of the Corporation outstanding at the time of such purchase or acquisition.

Sixth: Any and every statute of Ohio hereafter enacted whereby the rights, powers or privileges of corporations or of the shareholders of corporations organized under the laws of Ohio are increased or diminished or in any way affected, or whereby effect is given to the action taken by any number, less than all, of the shareholders of any such corporation, shall apply to the Corporation and shall be binding not only upon the Corporation but upon every shareholder of the Corporation to the same extent as if such statute had been in force on October 31, 1958, the time of merger of The Ramo-Wooldridge Corporation into the Corporation.

Seventh: These Amended Articles of Incorporation shall supersede and take the place of the heretofore existing Articles of Incorporation of the Corporation and all amendments thereto.

FIRST DIRECTORS AND OFFICERS OF THE CORPORATION

PART I: DIRECTORS

Name	Address
For the term ending in 1968:	
R. F. Bacher	California Institute of Technology Pasadena, California
J. T. Brown	Mellon National Bank & Trust Company Pittsburgh, Pennsylvania
R. F. Mettler	One Space Park Redondo Beach, California
S. C. Pace	23555 Euclid Avenue Euclid, Ohio
E. P. Riley	23555 Euclid Avenue Euclid, Ohio
W. S. Vaughn	343 State Street Rochester, New York
For the term ending in 1969:	
J. H. Doolittle	5225 Wilshire Boulevard Los Angeles, California
S. Ramo	One Space Park Redondo Beach, California
H. A. Shepard	23555 Euclid Avenue Euclid, Ohio
For the term ending in 1970:	
J. A. Alexander	111 Monument Circle Indianapolis, Indiana
O. Chandler	Times Mirror Square Los Angeles, California
J. S. Webb	1100 Glendon Avenue Los Angeles, California
D. E. Wooldridge	4545 Via Esperanza Santa Barbara, California
L. B. Worthington	525 William Penn Place Pittsburgh, Pennsylvania
J. D. Wright	23555 Euclid Avenue Euclid, Ohio

PART II: OFFICERS

Name	Title	Address
C. R. Allen	Vice President, Chief Financial Officer	23555 Euclid Avenue Euclid, Ohio
P. T. Angell	Vice President	23555 Euclid Avenue Euclid, Ohio
J. J. Antalek	Vice President	666 Garland Place Des Plaines, Illinois
I. A. Binder	Vice President	2196 Clarkwood Avenue Cleveland, Ohio
J. F. Bradley, Jr.	Assistant Vice President, Financc	23555 Euclid Avenue Euclid, Ohio
R. F. Britton	Assistant Secretary	23555 Euclid Avenue Euclid, Ohio
R. A. Burgin, Jr.	Vice President	23555 Euclid Avenue Euclid, Ohio
R. B. Corpening	Assistant Secretary	One Space Park Redondo Beach, California
R. E. Cummings	Vice President	1455 East 185th Street Cleveland, Ohio
E. B. Doll	Vice President	One Space Park Redondo Beach, California
W. R. Donnelly	Vice President	23555 Euclid Avenue Euclid, Ohio
J. E. Dunlap	Vice President	23555 Euclid Avenue Euclid, Ohio
E. M. Foley	Vice President	One Space Park Redondo Beach, California
E. E. Ford	Assistant General Counsel	23555 Euclid Avenue Euclid, Ohio
F. W. Hesse, Jr.	Vice President	One Space Park Redondo Beach, California
C. L. Kahlert	Vice President	8001 East Pleasant Valley Road Independence, Ohio
R. S. Kenerson	Vice President	402 Chandler Street Jamestown, New York
J. H. Kerr	Vice President and General Counsel	23555 Euclid Avenue Euclid, Ohio
W. G. King, Jr.	Assistant Treasurer	23555 Euclid Avenue Euclid, Ohio
R. J. Leaver	Assistant Secretary	1100 Glendon Avenue Los Angeles, California

Name	Title	Address
R. F. Mettler	Executive Vice President	One Space Park Redondo Beach, California
H. Q. North	Vice President	One Space Park Redondo Beach, California
Wilson H. Oelkers	Vice President	401 North Broad Street Philadelphia, Pennsylvania
C. W. Ohly	Vice President	34201 Van Dyke Avenue Warren, Michigan
S. C. Pace	Executive Vice President	23555 Euclid Avenue Euclid, Ohio
R. H. Palenschat	Assistant Controller	23555 Euclid Avenue Euclid, Ohio
P. E. Priest	Controller	23555 Euclid Avenue Euclid, Ohio
S. Ramo	Vice Chairman of the Board	One Space Park Redondo Beach, California
E. P. Riley	Executive Vice President	23555 Euclid Avenue Euclid, Ohio
P. W. Schuette	Secretary	23555 Euclid Avenue Euclid, Ohio
A. H. Schweitzer	Vice President	23555 Euclid Avenue Euclid, Ohio
J. H. Shaffer	Vice President	1875 Connecticut Avenue Washington, D.C.
H. A. Shepard	President	23555 Euclid Avenue Euclid, Ohio
N. G. Spoth	Vice President	P. O. Box 250 Minerva, Ohio
E. E. Stuart	Vice President, Treasurer, Assistant Secretary	23555 Euclid Avenue Euclid, Ohio
J. S. Webb	Executive Vice President	1100 Glendon Avenue Los Angeles, California
K. C. White	Vice President	23555 Euclid Avenue Euclid, Ohio
Q. T. Wiles	Vice President	1100 Glendon Avenue Los Angeles, California
J. D. Wright	Chairman of the Board and Chief Executive Officer	23555 Euclid Avenue Euclid, Ohio

Bibb
(Orig on Bd of Dir meeting file)

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

RING BUILDING
WASHINGTON, D.C. 20036
126-cjj
C-2839

November 10, 1967

5

TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Gentlemen:

You have asked us for an opinion concerning the propriety under the antitrust laws of the United States of the acquisition of IRC, Inc.

A letter inquiry dated October 24, 1967 has been received from the Great Lakes Field Office, Antitrust Division, Department of Justice, with respect to this acquisition. The collection of documents and information responsive to that inquiry is underway but has not been completed.

Based on the information currently available to us, and subject to review following completion of the response to the letter inquiry, it is our opinion that this acquisition would not be in violation of the antitrust laws of the United States and that the letter inquiry, presently, does not constitute a threat of litigation.

If either further developments or the review mentioned above requires any modification of this opinion, we shall promptly advise you.

Very truly yours,

Jones, Day, Cockley & Reavis

JONES, DAY, COCKLEY & REAVIS

TRW-MGR-0299

IRC

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

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WASHINGTON, D.C. 20036

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C-2816

6

December 22, 1967

Robert M. Dixon, Esq.
Antitrust Division
Department of Justice
727 New Federal Building
Cleveland, Ohio 44199

Dear Mr. Dixon:

We, as counsel for TRW Inc. (hereinafter TRW), have been asked by it to respond to the letter of Donald F. Turner of October 24, 1967 addressed to Mr. J. D. Wright, Chairman and Chief Executive Officer, TRW, with respect to the proposed acquisition by TRW of Mission Manufacturing Company (hereinafter Mission), United-Carr Incorporated (hereinafter United-Carr) and IRC, Inc. (hereinafter IRC). The numbered paragraphs below correspond to and provide information sought by the numbered paragraphs of that letter.

1. The present target date for the completion of the acquisition of Mission is January 17, 1968, providing the required ruling from the Internal Revenue Service has been received by that time. The target date for the completion of the acquisition of United-Carr is as soon as is practicable after the required United-Carr stockholder vote (a date for which has not yet been set but which will not likely be prior to mid-February) and after the receipt of the required ruling from the Internal Revenue Service. The target date for the completion of the acquisition of IRC is as soon as is practicable after the required IRC stockholder vote (a date for which has not yet been set but which IRC has announced it intends to hold on January 30, 1968) and after receipt of the required ruling from the Internal Revenue Service.

TRW-MGR-0300

A statement of how the mechanics of the acquisitions are to be accomplished appears in each of the agreements which are attached to this letter in response to paragraph 2.

2. The agreements pursuant to which the proposed acquisitions are to be consummated are as follows: Plan and Agreement of Reorganization dated as of October 31, 1967 executed by TRW and Mission is attached hereto as Exhibit 2-1. Agreement of Merger dated November 29, 1967 executed by TRW and United-Carr is attached hereto as Exhibit 2-2. Agreement of Merger dated November 28, 1967 executed by TRW and IRC is attached hereto as Exhibit 2-3. These are supplied even though executed after the October 24 date of your letter inquiry.

3. Copies of all studies, surveys or analyses which TRW has relating to the proposed acquisitions are attached hereto as Exhibits as follows:

Mission

3-1. Interoffice Correspondence from Hesse to File entitled Case 103 with Attachments 1 through 3, dated June 2, 1967 (11 total pages).

3-2. Document entitled X-103, Possible Acquisition Effects, dated 9/8/67 (1 page).

United-Carr

3-3. Document entitled United-Carr Inc. with Exhibits I through V, dated March 13, 1967 (13 total pages).

3-4. Document entitled United-Carr Inc., Effect of Acquisition on TRW 1967 Earnings, dated 3/29/67 (1 page).

3-5. Document entitled United-Carr Inc., Possible Acquisition Effects, dated 4/4/67 (1 page).

3-6. Document entitled United-Carr Inc., Possible Acquisition Effects, dated 4/18/67 (1 page).

3-7. Document entitled Preliminary Study, dated 6-9-67 (2 pages).

3-8. Document entitled EL 312 - Acquisition Effect on TRW, dated 9-13-67 (1 page).

3-9. Document entitled United-Carr, Possible Acquisition Effects, dated 9-27-67 (1 page).

3-10. Document entitled United-Carr, Possible Acquisition Effects, dated 9-29-67 (1 page).

IRC

3-11. Document entitled Preliminary Study, dated 9-7-67 (2 pages).

3-12. Interoffice Correspondence from Campbell to Webb entitled EL 326 with Attachments A through E, dated September 7, 1967 (12 total pages).

3-13. Document entitled EL 326 with List of Attachments, dated September 13, 1967 (82 total pages).

3-14. Document entitled IRC Alternatives, dated 9-27-67 (7 pages).

3-15. Document entitled IRC, Inc., Possible Acquisition Effects, dated 9-29-67 (2 pages).

3-16. Interoffice Correspondence from Arndt to Webb entitled Review of IRC Results through August 13, 1967 with Exhibits I through III, dated October 11, 1967 (5 total pages).

4. Based on five digit Standard Industrial Classification categories with respect to calendar 1966 sales of products now manufactured by TRW, Mission, United-Carr and IRC, as the case may be, the following statement is supplied with respect to paragraph 4:

Mission

Mission and TRW manufacture no products in the same Classification category.

United-Carr

TRW is advised that United-Carr manufactures certain "filler necks" which consist of a part press fitted or welded into the top of a radiator to accommodate the radiator cap and to facilitate filling the radiator. Its sales have been principally to manufacturers of passenger cars. TRW manufactures a variety of products in this same Classification category such as valves, linkages, ball joints, power steering pumps, steering gears, and the like, which it sells to manufacturers of automobiles, trucks, tractors and other vehicles, but it manufactures no parts interchangeable or competitive with "filler necks" and, indeed, manufactures no parts which are used in or on vehicle radiators.

In the electronics field, TRW manufactures a very small dollar volume of certain parts for condensers which are sold directly to manufacturers of home radios for use in such radios. While United-Carr also manufactures products in this general Classification category (which is a catch-all category entitled "Other Electronic Components and Accessories Including Tube Parts"), TRW is advised that United-Carr manufactures no condensers or parts for condensers for use in home radios, and that nothing United-Carr manufactures or sells is competitive with condenser parts manufactured by TRW.

United-Carr advises that it manufactures certain hermetic seals. The Electronic Industries Association defines a hermetic seal as follows:

> "An assembly consisting of a glass insulator or group of insulators through which a metal conductor or group of conductors has been inserted. There will also normally be present a metal outer member called a body which surrounds the glass and conductors. These parts are joined by fusing the glass. The outer member permits attachment to an enclosure by soldering, welding or brazing."

United-Carr does not manufacture or sell solid state semi-conductor devices. While, as stated below, a subsidiary of TRW manufactures and sells certain solid state semi-conductor devices, it does not manufacture or sell hermetic seals and does not compete with United-Carr.

IRC

IRC and TRW manufacture no products in the same Classification category; IRC and a subsidiary of TRW, however, both manufacture certain solid state semi-conductor devices. Based on 1965 Commerce Department value of shipments figures as shown in Department of Commerce document M65(AS)-2 (Department of Commerce 1966 figures are not available) for that Classification category when compared with shipments in that category in 1965 by IRC and the TRW subsidiary, IRC made under .4% of those shipments, and the aforementioned TRW subsidiary made under 1.4% thereof. The devices manufactured by each of the two companies are not competitive. TRW is advised that IRC's typical product is a high volume, low price, shelf item which is packaged either in a metal can or a molded case. The devices of TRW's subsidiary are in almost all cases high reliability, high price, specialty items made to stringent specifications and requiring substantial testing and documentation, which are packaged in glass. TRW is advised that IRC has never considered TRW or any subsidiary thereof a competitor, and TRW's subsidiary has never considered IRC a competitor.

5. Copies of all market surveys made at any time since January 1, 1962 which TRW has relating to any products presently being made or sold by any of the companies to be acquired are attached hereto as Exhibits as follows: None.

6. A list of the products purchased by TRW from each of the companies to be acquired and the dollar volume of purchases in 1966 from each is attached hereto as Exhibits 6 & 7, -1, -2 and -3.

7. This request has proved extremely difficult to answer since the many TRW sources who supplied the data from which the answer was prepared have typically not had information sufficient to determine the extent to which certain of the products which TRW purchases are "similar" to those manufactured by the companies to be acquired. Moreover, since a number of sources was involved, the interpretation of "similar" may not have been uniform. Accordingly, the lists supplied in some cases may reflect a limited determination of "similarity," while in other cases they may treat "similarity" in the broadest conceivable sense. It should be understood, accordingly, that the so-called "similar" products listed are frequently neither reasonably interchangeable with nor competitive with the products manufactured by the companies to be acquired. In some cases this fact has seemed sufficiently clear to warrant comment to that effect, although in others it has not. The lists supplied as Exhibits 6 & 7, -1, -2 and -3 must be viewed in light of the foregoing.

8. A list of all patent license agreements and agreements for the exchange of technological information to which TRW is a party that relates in any way to products made by any of the companies to be acquired: None.

I trust that the information and documents supplied herewith will prove satisfactory.

Very truly yours,

Allen C. Holmes

Allen C. Holmes

Enclosures

OR ENCLOSURES: SEE SUPPLEMENT I (Antitrust) WHICH COVERS IRC, MISSION, UNITED-CARI

IRC Bbb

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

RING BUILDING
WASHINGTON, D.C. 20036

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C-2839
C-2778
C-2816

December 26, 1967

David E. Clarke, Esq.
Counsel
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Dear Dave:

Enclosed for your files please find a copy of the complete response which we made to the Antitrust Division by mail on Friday, December 22. The only document not supplied was a conformed copy of the amended IRC merger agreement which will be supplied to the Division as soon as we receive a copy from the printer.

Hope you enjoyed a very Merry Christmas.

Cordially yours,

Robert J. Hoerner

Enclosure

TRW-MGR-0306

BUBLE.
ALL THREE

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

RING BUILDING
WASHINGTON, D.C. 20036

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C-2839
C-2778
C-2816

December 22, 1967

Eugene E. Ford, Esq.
Assistant General Counsel
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Dear Gene:

Enclosed please find a copy of the response and Exhibits prepared in this office which we mailed to the Antitrust Division about 6 o'clock today. I will mail a copy of the response together with all Exhibits to Dave Clarke and Bob Leaver on Tuesday.

Hope you enjoyed a Merry Christmas.

Cordially yours,

Robert J. Hoerner

Enclosure

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LAW OFFICES
WHITE & WILLIAMS
1900 LAND TITLE BUILDING
PHILADELPHIA - 10

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November 22, 1967

Securities and Exchange Commission
500 North Capitol Street, N.W.
Washington, D. C. 20549

Attn: Mr. Romeo, Branch Chief, Division of Corporate Finance

Dear Sirs:

We enclose herewith five preliminary copies of a Proxy Statement and Form of Proxy to be used in connection with a special meeting of the shareholders of IRC, Inc., to be held January 30, 1968, to vote upon an Agreement of Merger with TRW Inc. For your convenience we have pencilled in cross-references in one copy. It is hoped that such material may be mailed to stockholders about December 27th. We are advised by the printer that it will require approximately five business days to print the material for mailing after clearance from your Commission.

It has not yet been determined whether personal solicitation of proxies will be necessary, and that determination will not be made until after the proxy material is mailed. If it is decided to use personal solicitation, copies of written instructions and any other material used in connection therewith will be filed with the Commission as required by Regulation 240.14a-6(b).

To anticipate certain questions you may have, we make the following comments:

1. There is, to the best of our knowledge, no litigation, pending or threatened, concerning the merger. See page 35 of the Proxy Statement for information concerning certain Department of Justice inquiries.

2. There are, to the best of our knowledge, no brochures or other recent reports concerning either IRC or TRW, or any appraisals of property of either company, prepared in connection with the merger.

3. There is no affiliation between any of the directors, officers or substantial stockholders of IRC or TRW.

4. Neither IRC nor TRW owns any stock in the other.

5. All of the directors of IRC were present at the Board meeting of September 29, 1967, at which acquisition proposals from

COPY

a number of other corporations, as well as the TRW proposal, were considered; and they voted unanimously in favor of proceeding with negotiations with TRW and not with any other corporation. All of the directors were also present at the meeting of the Board of IRC which convened on October 31st, and unanimously approved in principle an Agreement of Merger with TRW. At that time all members had reviewed a draft of an Agreement of Merger substantially in the form finally adopted but not in completely definitive form. This meeting was reconvened on November 13th to adopt the Agreement of Merger in definitive form. The reconvened meeting was attended by all but three directors. All directors present approved the plan.

6. With respect to the TRW meetings, all of the directors of TRW except one were present at a Board meeting held on October 24, 1967, at which the proposal to merge with IRC was fully considered. The directors were unanimously in favor of proceeding with such negotiations. Since the agreement was not in definitive form, the meeting was adjourned and reconvened on November 16th, at which time five members, constituting a quorum, were present and unanimously approved the agreement in definitive form.

7. The following officers or directors of IRC have within the last six months bought the following number of shares of stock of IRC on the following dates:

D. Kusman	750 shares	November 8, 1967
W. H. Powell	1060 shares	November 10, 1967
J. H. Dummer	1170 shares	October 3, 1967
J. B. Henry	500 shares	August 21,1967
E. A. Stevens	2080 shares	November 13,1967
J. Isken	250 shares	August 8, 1967
B. R. Spiegel	100 shares	November 9,1967
E. S. Weyl	2080 shares	June 28, 1967

All of such purchases have been pursuant to stock options granted more than six months prior to the purchase. To the best of IRC's knowledge, no substantial stockholder of IRC has bought any stock of either company, nor has any officer or director of IRC bought any stock of TRW within the past six months.

Because the officers and directors of TRW are scattered, it has not been possible to obtain information concerning any possible purchases by them within the past six months, but such information will be furnished by a supplemental letter as soon as available.

8. A complete history of the negotiations and a statement concerning finders' fees will be furnished to the Commission as

COPY

soon as possible, which it is anticipated will be next week. The reason such information cannot be given at this time is that one of the principal participants in the negotiations on behalf of TRW is absent from the country, and in the interest of achieving absolute accuracy it is felt desirable to await his return to check the material.

Very truly yours,

Richard C. Bull

RCB
Enclosures

COPY

TRW ELECTRONICS

EXECUTIVE OFFICES

November 28, 1967

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

Attention: Edward S. Weyl, Chairman of the Board
Wilson H. Oelkers, President

Gentlemen:

In accordance with your request, this will confirm that TRW shall be solely responsible for any fee which may now be due or which may hereafter become due to Arthur H. Richland Company in connection with the proposed merger of IRC into TRW. In this connection, you have advised us that IRC has not engaged Arthur H. Richland Company for any purpose except to find and present to IRC companies which are candidates for acquisition.

TRW INC.

By _____
J. S. Webb
Executive Vice President

TRW-MGR-0311

IRC Bible

MEMORANDUM RE NEGOTIATIONS

9

In January of 1965 the Arthur H. Richland Co. advised Mr. Charles Weyl, then Chairman of the Board of IRC, that it represented an unidentified corporation which might be interested in acquiring IRC. Richland subsequently identified the corporation as TRW and late in March of 1965 Mr. Wilson H. Oelkers, President of IRC, met in New York with Mr. Lester Simon, of Richland, and Messrs. J. W. Webb, Executive Vice President, and R. A. Campbell, Vice President of Operations Development, TRW Electronics, to discuss the matter. As a result of discussions within the IRC organization following this meeting, Mr. Oelkers advised Mr. Simon by letter dated March 30, 1965, that IRC had no present interest in being acquired by anyone but adding: "In the event that TRW would be interested in determining IRC's prevailing attitude at year's end or any time in the future, we would be most happy to reopen the discussion."

In December of 1965 Richland reopened the subject, and as a result Mr. Oelkers had a meeting in Los Angeles on January 25, 1966, with Mr. Webb and with Dr. S. Ramo, Vice Chairman of the Board of TRW. On February 8, 1966, Mr. Oelkers wrote Mr. Webb that IRC did not "care to pursue the matter further at this time."

On August 21, 1967, Mr. Oelkers and Mr. Charles Weyl agreed that the time had come when Mr. Oelkers should reopen talks with TRW. Mr. Charles Weyl died unexpectedly two days

later. Shortly thereafter (probably after Labor Day) Mr. Oelkers advised Dr. Ramo by telephone of the decision which had been reached, and on September 11, 1967, Messrs. Webb and Campbell met in Philadelphia with Mr. Oelkers. Their talks continued the next day with Mr. Oelkers and Edward S. Weyl, Esq., Chairman of the Board and resident General Counsel of IRC. At these meetings Messrs. Webb and Campbell indicated their interest in acquiring IRC and their intention to make a proposal in writing.

In the days immediately following, there were several telephone conversations between Richard C. Bull, Esq., outside counsel for IRC, and J. H. Kerr, Esq., Vice President and General Counsel, and R. J. Leaver, Esq., General Counsel, TRW Electronics, concerning the scope which the written proposal should encompass. The initial written proposal was in the form of a letter to Mr. Weyl from Mr. H. A. Shepard, President of TRW, dated September 19, 1967. The proposal was presented orally to the IRC Board of Directors, along with proposals from a number of other corporations, at a meeting held in Philadelphia on September 29, 1967. Up to this point no one had participated in any negotiations on behalf of IRC except Mr. Oelkers, Mr. Edward Weyl and Mr. Bull. The only other persons connected with IRC who knew they were in progress were the private secretaries to the aforementioned, and Mr. Edward A. Stevens, Vice President of IRC charged with acquisitions and

TRW-MGR-0313

merger analysis, who was advised of the pendency of the negotiations about September 21st. At the meeting the IRC Board authorized the officers to proceed to try to negotiate an agreement with TRW, and immediately following the meeting Messrs. Webb, Campbell, Leaver and J. F. Bradley, Jr., Assistant Vice President, Finance, of TRW, met with Messrs. Oelkers, Edward Weyl and Bull to establish negotiating procedures.

Immediately following the IRC Board meeting, Mr. Oelkers, pursuant to authorization given him by the IRC Board, retained Lazard Freres & Co. as financial consultants in connection with the negotiations and Mr. Stevens met with Messrs. Stanley Osborne and Paul Taylor, representatives of Lazard Freres & Co., in New York on October 2, 1967, to give Lazard Freres & Co. such information as it desired concerning IRC. On October 3rd, Messrs. Oelkers, Edward Weyl and Bull went to New York and met in the morning with representatives of Lazard Freres and Mr. Stevens. They then joined Messrs. Webb, Leaver and Bradley of TRW for some preliminary discussions. Messrs. Osborne and Taylor and representatives of Smith, Barney & Co. (TRW's financial advisors) joined the meeting and, as a result thereof, an agreement in principle was reached embodying the terms which have since been incorporated in the Agreement of Merger. The basic points were outlined in a letter from TRW, signed by Mr. Shepard, to IRC, dated October 6, 1967, which was accepted for IRC by Edward S. Weyl, Esq., on October 10th.

IRC Bulk

TRW ELECTRONICS

November 28, 1967

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

10

Attention: Edward S. Weyl, Chairman of the Board
Wilson H. Oelkers, President

Gentlemen:

It is the purpose of this letter again to assure you that it is TRW's intention after the proposed merger of IRC into TRW to continue the present fringe benefits of IRC employees until a thorough study thereof has been made. If, in the light of such study, it appears appropriate to make changes to take advantage of TRW's fringe benefit programs or for other reasons, the package of fringe benefits which will be made available by TRW to former employees of IRC will in the aggregate be as good or better than the package of fringe benefits presently available to them.

TRW INC.

By _____
J. S. Webb
Executive Vice President

TRW-MGR-0315

TRW INC.

EXECUTIVE OFFICES

January 4, 1968

Richard Bull, Esq.
Messrs. White and Williams
19th Floor
Land Title Building
Philadelphia, Pennsylvania 19110

Dear Mr. Bull:

Enclosed herewith is a letter signed by our Secretary identifying the proxy material which is the subject of TRW's indemnity.

If you do not find it satisfactory, please let me know.

Very truly yours,

Eugene E. Ford
Assistant General Counsel

[redacted]:lab

Enclosure

cc R. J. Leaver, Esq.
[redacted] Leigh Trevor, Esq.

TRW-MGR-0316

23555 EUCLID AVENUE · CLEVELAND, OHIO 44117

TRW INC.

EXECUTIVE OFFICES

January 3, 1968

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

Dear Sirs:

I refer to clause (c) of Article XIV of the Agreement of Merger between our two companies dated November 28, 1967.

This will confirm that the written material with respect to TRW and United-Carr Incorporated and their subsidiaries furnished by me for use in the preparation of the proxy soliciting material referred to in said clause (c) is as follows:

Pages of IRC Proxy Statement dated January 3, 1968	Subject Matter
3	"Proposed TRW Action"
4	"Department of Justice Inquiries" -- last sentence only
4-8	"PREFACE TO FINANCIAL DATA" and continuing through the end of page 8, except insofar as the information set forth reflects information regarding IRC
9	TRW Statements of Consolidated Income
11	United-Carr Statement of Consolidated Earnings
12	"PRO FORMA BALANCE SHEETS", except insofar as the information set forth reflects information regarding IRC
13	"COMPARATIVE MARKET PRICES" -- all information except that relating to stock of IRC
14-31	"BUSINESS AND PROPERTIES OF TRW" and "INFORMATION CONCERNING DIRECTORS AND

23555 EUCLID AVENUE · CLEVELAND, OHIO 44117

Pages of IRC Proxy Statement dated January 3, 1968	Subject Matter
14-31 (continued)	OFFICERS OF TRW" (except for the material under "Employment and Consulting Contracts" on page 22), "DESCRIPTION OF STOCK OF TRW" (including description of each class of stock) and "DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS"
39	Under the heading "GENERAL--Other Offers; Fees" the third paragraph and the second sentence in the fourth paragraph
41-47	TRW Financial Statements
55-62	United-Carr Financial Statements

Very truly yours,

P. W. Schuetto
Secretary of TRW Inc.

TRW-MGR-0318

File

JONES, DAY, COCKLEY & REAVIS
1750 Union Commerce Building
Cleveland, Ohio 44115

Philadelphia, Penna.
December 11, 1967

/2

AIR MAIL

Mr. J. S. Webb
Executive Vice President
TRW Inc.
1100 Glendon Avenue
Los Angeles, California 90024

Re: TRW - IRC

Dear Mr. Webb:

Herewith, as requested by Mr. Ford, four copies of a form of letter dated December 11, 1967 from TRW to IRC dealing with the Chicago Telephone Supply Corporation matter which has been outlined to Bob Leaver on the telephone. All four have been signed by Mr. Edward Weyl.

I would appreciate your signing all four copies, retaining one for the TRWE records, forwarding one to Mr. Ford for Cleveland's records and sending the other two to me in Cleveland for transmittal to Dick Bull.

We had a most pleasant hour with Messrs. Weyl and Oelkers this afternoon in connection with execution of various ancillary documents and the Agreement of Merger.

Very truly yours,

LEIGH B. TREVOR

LBT:km

cc: R. J. Leaver, Esq.
E. E. Ford, Esq.
R. C. Bull, Esq.

TRW-MGR-0319

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

December 11, 1967

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

Attn: Edward S. Weyl, Esq.
Chairman of the Board of Directors

Dear Mr. Weyl:

By letter dated December 8, 1967 from the Secretary of IRC to Mr. Trevor of Messrs. Jones, Day, Cockley & Reavis, our counsel, you have supplied copies of two forms of the Agreement made as of the 8th day of April, 1959 between Chicago Telephone Supply Corporation and yourselves. One of such forms appears to be a copy of the CTS Agreement as originally signed and the other appears to be a composite of the CTS Agreement or Agreements as in effect on December 8, 1967 (the "CTS Agreement").

This is to advise you that we are willing to, and do hereby, add reference to the CTS Agreement to the list of contracts, Schedule V to the Agreement of Merger, at the end of Section J thereof, which Schedule you have delivered to us.

We, however, wish to make an appropriate investigation of this recently discovered situation and in that connection would appreciate your furnishing to us at your early convenience, initialed by the Secretary of the Company, a conformed copy of the CTS Agreement as presently in effect, together with all exhibits and/or schedules thereto.

It is agreed that the addition to the Schedule referred to above does not involve any waiver of any provision of the Agreement of Merger.

Very truly yours,

TRW Inc.

By

The foregoing is acceptable to us.

IRC, Inc.

By
Chairman of the
Board of Directors

December 11, 1967

TRW-MGR-0320

December 15, 1967

E. E. Ford, Esq.
TRW, Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

R. J. Leaver, Esq.
TRW Electronics
Suite 835
1100 Glendon Avenue
Los Angeles, California 90024

Leigh B. Trevor, Esq.
Jones, Day, Cockley & Reavis
1750 Union Commerce Bldg.
Cleveland, Ohio 44115

R. C. Bull, Esq.
White and Williams
19th Floor
Land Title Bldg.
Philadelphia, Pa. 19110

Gentlemen:

Pursuant to TRW's request by letter dated December 11, 1967, there is enclosed for each of you a copy of the documents listed below relating to the IRC-CTS agreement. All of the documents being sent to Messrs Trevor and Ford have been initialled by Barry R. Spiegel, Secretary of IRC.

1. Composite of IRC-CTS Agreement as currently in effect.

2. Letter from CTS to IRC, dated October 17, 1967, confirming agreements reached by IRC and CTS with respect to current pricing of controls covered by the agreement and sales goals for 1968.

IRC, Inc.
401 North Broad Street
Philadelphia, Pa. 19108
Area Code 215 WA 2-8900
TWX 710-670-5949

December 15, 1967

Messrs Ford, Leaver, Trevor, Bull - 2

3. Agreements between IRC and CTS (from which the composite referred to in 1 above was made) dated January 1, 1966, March 15, 1964, July 21, 1960, September 11, 1959, and two agreements dated April 8, 1959. Exhibits A and B to the original agreement, dated April 8, 1959, have been furnished only to Leigh Trevor in accordance with my telephone conversation with him. These two exhibits contain lengthy catalog material of CTS and IRC, including a replacement manual for trade names and part numbers, all of which material is outdated.

Sincerely,

Jerry

GCDragonetti:mec
encls

Assistant Counsel

COMPOSITE OF IRC-
CTS AGREEMENT AS
CURRENTLY IN EFFECT

BRS

THIS AGREEMENT made as of the 8th day of April, 1959, between CHICAGO TELEPHONE SUPPLY CORPORATION, an Indiana corporation, hereinafter called "CTS", and INTERNATIONAL RESISTANCE COMPANY, a Delaware corporation, hereinafter called "IRC".

WITNESSETH:

1. Background

1.1 CTS and IRC have complementary skills, techniques, know-how and facilities and are essentially non-competitive. It would be advantageous to them and to their customers if each made use of the special skills, techniques, know-how, and facilities of the other. This agreement is intended to accomplish that objective, primarily with respect to general purpose variable resistors, by providing for the utilization by IRC of CTS's manufacturing skill, techniques, know-how, and facilities and the utilization by CTS of IRC's marketing skill, techniques, know-how, and facilities.

1.2 It is recognized by the parties hereto that CTS intends forthwith to cause wholly owned corporate subsidiary to be formed for the purpose of carrying out various parts of this agreement. It is also understood and agreed that CTS presently is operating through certain wholly owned corporate subsidiaries. In all instances hereinafter contained where one of CTS's corporate subsidiaries will be in fact carrying out obligations incumbent upon CTS, specific reference will be made to such fact. In all other instances the obligations assumed by CTS, unless so modified, will be considered as being personal

TRW-MGR-0323

to it. The employment by CTS of wholly owned subsidiaries to carry out parts of this agreement shall in no way diminish CTS's primary responsibility and liability to IRC.

2. Manufacturing

2.1 CTS shall manufacture or cause one of its corporate subsidiaries to manufacture for IRC its lines of general purpose variable resistor products, switches for variable resistors, accessories and parts (herein collectively called "products") during the life of this agreement in quantities at least adequate to meet the normal demands of customers for which IRC is sales agent. These lines are those set forth in CTS Catalogue No. 71, a copy of which, marked "Exhibit A", is attached to this agreement and made part of it. In order to keep its line of products current and up to date, CTS and each of its corporate subsidiaries may from time to time substitute, modify, add to, or withdraw products.

2.2 IRC shall discontinue the manufacture of general purpose variable resistor products excluding, however, general purpose metal film variable resistors presently being developed under U. S. Government contract. IRC at the earliest practicable date, for and in consideration of Ten Dollars ($10.00), shall assign and transfer to CTS all IRC's United States patents and its proprietary rights of every kind covering IRC's lines of general purpose variable resistor products, switches for variable resistors, accessories and parts (herein collectively called "products"), excluding, however, general purpose metal film vari-

TRW-MGR-0324

able resistors presently being developed under U. S. Government contract. CTS shall add these lines to its own and manufacture them or cause them to be manufactured by a corporate subsidiary under the terms of paragraph 2.1. These lines are those set forth in "Exhibit B" which is attached to this agreement. The assignment of said United States patents and transfer of the proprietary rights shall be subject to the rights of IRC's foreign licensees under the foreign license and engineering service agreements listed in "Exhibit C" attached hereto and made part hereof and CTS hereby recognizes and agrees to honor such rights.

2.3

A. The term "general purpose variable resistor products" as used in this agreement shall not be construed to include precision potentiometers.

B. Each party shall be entirely free to develop or acquire other products outside of the general purpose variable resistor field without obligation to include them in this agreement.

2.4 To facilitate the execution of paragraph 2.2,

A. IRC shall cause to be executed and delivered to CTS all appropriate assignments of patents and applications for patents and other proprietary documents;

B. IRC shall furnish CTS with all information, detailed descriptions, drawing, manufacturing processes and instructions relating to general purpose variable resistors possessed by IRC;

TRW-MGR-0325

C. IRC shall furnish for such a period of time as is necessary original orientation, instruction, and guidance to the CTS manufacturing and engineering personnel or to the manufacturing and engineering personnel of any of its corporate subsidiaries who will initially direct production of the IRC product lines transferred; and

D. IRC will continue to carry on its payrolls for a maximum period of 90 days those individuals as shown on "The Asheville Plant Organization Chart dated October 1, 1958", a copy of which is marked "Exhibit D" and is attached to this agreement and is made a part hereof. It is contemplated that CTS or one of its corporate subsidiaries will evaluate the operations and employees above mentioned during this period of time and will negotiate working agreements with the individual employees. Prior to the expiration of 90 days, those employees with whom CTS or one of its corporate subsidiaries has been able to reach a working agreement will be transferred to the payrolls of CTS or one of its corporate subsidiaries and the others will be released to IRC. During this 90 day period, CTS or its corporate subsidiary agrees to reimburse IRC for the direct payroll costs plus the cost of fringe benefits actually incurred by IRC. IRC shall bill for these costs on a monthly basis.

TRW-MGR-0326

2.5 To facilitate further the execution of paragraph 2.2, IRC agrees to sell, and CTS agrees to buy or to cause a corporate subsidiary to buy, IRC's manufacturing plant located near Asheville, North Carolina, and certain of the plant's equipment, machinery, fixtures, furniture, and inventories, for the prices and upon the terms and conditions set forth in an agreement, a copy of which is attached hereto marked "Exhibit E" and made a part hereof, which is being entered into simultaneously with the execution of this agreement. Basil S. Turner, the "Buyer" named in "Exhibit E" is acting in a trust capacity for the purpose of transferring his interest to the corporate subsidiary to be formed by CTS as recited in paragraph 1.2.

2.6 In acquiring IRC's Asheville Plant and taking over the manufacture of general purpose variable resistors there, CTS will accept or will cause its corporate subsidiary to accept into employment as employees all those IRC employees who at the time of transfer are represented by Local Union 185, IUE-AFL-CIO, as collective bargaining agent, and will assume and honor IRC's obligations under its collective bargaining agreement with Local Union 185 effective for the period from February 12, 1959, to February 12, 1960. As of the date of this agreement between CTS and IRC, the collective bargaining agreement has been signed in memo form but not in definitive form.

2.7 IRC has been supplying its licensees with certain variable resistor parts manufactured in IRC's Asheville Plant. CTS or its corporate subsidiary will continue the manufacture of such parts and sell them to IRC in quantities needed by IRC's licensees.

TRW-MGR-0327

3. Marketing

3.1 During the life of this agreement, IRC shall be and is hereby designated by CTS and CTS will cause its corporate subsidiary to so designate IRC as exclusive sales agent and marketer in the United States for the sale of industrial stock controls covered by Stock Sheet 172 which is included in and is a part of "Exhibit A" to industrial distributors and for the sale of all types of replacement controls to replacement trade distributors. By agreement of CTS and IRC, the line of industrial stock controls may be modified from time to time to provide adequate coverage. CTS will not sell and will cause any of its corporate subsidiaries to agree not to sell industrial stock controls or replacement controls to distributors in the United States without the consent of IRC. Notwithstanding the preceding provisions of this paragraph, CTS may temporarily continue its relationship with General Cement Manufacturing Company, Division of Textron, Inc., until it can work out a termination of that relationship on a fair basis. Nothing herein shall be construed to prohibit IRC from reselling CTS general purpose variable resistors for export.

3.2 IRC shall devote its best efforts to the marketing and sale of all the products covered by paragraphs 2.1 and 2.2. CTS shall cooperate with IRC in IRC's working out of marketing, promotional, and advertising plans and materials relating to the products offered by IRC to distributors under this agreement. CTS reserves the right to require IRC to discontinue the use or modify any advertising material which CTS determines to be inappropriate.

TRW-MGR-0328

3.3 IRC will carry out its sales agency by purchasing inventories from CTS or any of its corporate subsidiaries to be held by IRC for resale to authorized industrial and replacement trade distributors in the United States.

3.4

A. Where IRC purchases inventories of IRC parts and controls covered by paragraph 2.2 to be held by IRC for resale, CTS shall sell or cause one of its corporate subsidiaries to sell to IRC under present established transfer price schedules which may be altered from time to time by the parties as mutually agreed. A copy of the transfer price schedule currently in effect is attached hereto marked "Exhibit F" and made a part hereof.

B. Where IRC purchases inventories of parts and controls covered by paragraph 2.1 to be held by IRC for resale, CTS shall sell or cause one of its corporate subsidiaries to sell to IRC at price schedules applicable to original equipment manufacturers plus a burden factor to cover special services and engineering normally not supplied on OEM products.

4. License

4.1 CTS hereby appoints IRC its exclusive agent for the life of this agreement to license foreign companies to manufacture and sell, other than in

5. Payments

5.1 IRC shall pay CTS its one-half share of royalties received from the foreign licensees, namely Idar Industria De Articulos Radio-electricos Sociedad De Responsabilidad Limitada (the three-party agreement between CTS, IRC and Idar Industria De Articulos Radioelectricos Sociedad De Responsabilidad Limitada was canceled effective the 31st day of August, 1965); International Resistance Company (Australasia) Pty., Limited; Vitrohm Electronics Industriaktieselskab; Infin S.A.S.; and Controles y Potenciometros S.A. (Co. y Po., S.A.) within 15 days after the receipt of such royalties by IRC. Any other payment due from either party to the other shall be made within 30 days after receipt of the invoice evidencing the amount due.

5.2 Each party, by an independent certified public accountant acceptable to both, shall have access at reasonable times to the records of the other for the purpose of verifying amounts due.

6. Duration and Termination

6.1 This agreement shall continue in effect, unless it is canceled earlier under paragraph 6.2 or 6.3 or for a substnatial breach by one of the parties, for a period of five years from January 1, 1966, and thereafter until such time as either party has given the other at least three years' written notice; provided however, that CTS has the right to terminate the appointment of IRC as exclusive sales agent and marketer for the sale of military and industrial products as identified in

TRW-MGR-0330

Schedule A by giving IRC one year's written notice of intention to terminate at any time after January 1, 1966. On or after January 1, 1968; either party at any time has the right to cancel this agreement by giving the other party three years' written notice of intention to terminate.

6.2 This agreement shall automatically terminate the day before either of the following events occurs:

A. Either party is declared bankrupt or insolvent under the laws of the United States or any state; and

B. Either party makes an assignment for the benefit of its creditors.

6.3 If either party

A. Fails to make payments hereunder when due; or

B. Is placed in receivership; or

C. Becomes the subject of legal proceedings for extension of indebtedness, reorganization, or other financial relief; or

D. Defaults under any provision of this agreement;

then the other party may elect to terminate this agreement at the end of 30 days after it has sent to the party charged a written notice by registered or certified mail of intention to terminate. Such termination shall not take effect if the party charged within such 30-day period has remedied the violation or event and placed the parties in

TRW-MGR-0331

the position in which they were before such violation or event occurred.

6.4 IRC will continue to encourage International Resistance Company (Australasia) Pty., Limited; Vitrohm Electronics Industriaktieselskab; Infin S.A.S.; and Controles y Potenciometros S.A. (Co. y Po.,S.A.) to manufacture and sell products and to receive royalties from the licensees through the 31st day of March, 1967, and will continue to pay to CTS its one-half share of all royalties received and that the licensees will be instructed to forward all royalties earned after the 31st day of March, 1967 directly to CTS and IRC shall not receive any royalties thereafter; provided however, that Idar Industria De Articulos Radioelectricos Sociedad De Responsabilidad Limitada shall continue to pay to IRC royalties after the 31st day of March, 1967 in accord with the Agreement of Cancellation between CTS, IRC, and Idar Industria De Articulos Radioelectricos Sociedad De Responsabilidad Limitada until the terms of the Agreement have been fulfilled. IRC agrees to the termination of the three-party agreements between CTS, IRC and the foreign licensees or to have its name removed from the three-party agreements effective as of the 31st day of March, 1967.

6.5 If this agreement is terminated for any cause, IRC, for a period of three years from the effective date of such termination, shall not manufacture general purpose variable resistors other than resistors covered by paragraph 7.4.

7. General

7.1 Each party shall take all appropriate actions to facilitate the use by the other party of its patents, trade marks, copyrights, and applications therefor to the extent that such use is relevant within the framework of this agreement and to the extent that such use does not violate trade mark laws.

7.2 CTS or one of its corporate subsidiaries, IRC and licensees under paragraphs 5.1, or any of them, may use IRC's name in the promotion, distribution, cataloging, labelling and sale of products covered by this agreement which were or are originally developed or manufactured by IRC and may use CTS's name in the promotion, distribution, cataloging, labelling and sale of products covered by this agreement which were or are originally developed or manufactured by CTS. Ths use of CTS's or IRC's names shall be subject to their respective approvals.

7.3 Neither party during the life of this agreement will contest the validity of any patent of the other which is relevant to this agreement.

Neither

TRW-MGR-0333

party makes any warranty to the other as to the validity of any such patent.

7.4 Each party shall be free to enter into or to continue any and all kinds of U. S. Government contract enterprises, whether as prime contractor, subcontractor or supplier, without regard to this agreement.

7.5 Neither party may assign this agreement except by an assignment or transfer of substantially its entire business and assets, provided, however, that any part or parts of this agreement may be assigned by CTS to any of its present or future wholly owned corporate subsidiaries. This agreement shall bind, and inure to the benefit of, any such assignee or transferee.

7.6 Notwithstanding any other provisions of this agreement, neither party shall disclose to the other any information of any kind the disclosure of which is prohibited by law or government regulations.

7.7 Neither party shall be liable to the other for non-performance of its obligations where due to factors outside its control.

CHICAGO TELEPHONE SUPPLY CORPORATION

BY

_____

(CORPORATE SEAL)

Attest:

_____

INTERNATIONAL RESISTANCE COMPANY

BY

_____

(CORPORATE SEAL)

Attest:

_____

TRW-MGR-0335

SCHEDULE A

A. General Purpose Variable Resistance Controls (Model Designation)

Q	45	
AW	HLC	
WP	110	Concentrikit parts and assemblies
4W	112	SNAPTROL type 45 parts and assemblies

B. Industrial and Military Controls (Model Designation)

25 - RA30	115	
252 - RA20	117	
90 - RV2	200	
320 (or 96) - RV4	201	
65 - RV5	321	
300 - RV6	212	selector switch and parts and detents

CABLE CTS • TWX 219-522-3121
AREA CODE 219 • JA 3-0210

Founded 1896

CTS CORPORATION / manufacturer of electronic components ELKHART, INDIANA 46514

October 17, 1967

IRC, Incorporated
Consumer and Distributor Products Division
414 North 13th Street
Philadelphia, Pennsylvania 19108

Attention: Mr. R. D. Ferree, Manager,
Distributor Products

Subject: CTS/IRC Meeting, October 10, 1967

Dear Bob:

Listed below are the points on which one or both of us agreed to take action during the recent October 10 meeting:

1. MIL Control Pricing. CTS agreed to the following price schedule, assuming approval by our California subsidiary:

Type Unit	CTS Proposed Pricing
RA20L	$ .67 Ea.
RA30N	$ .79 Ea.
RA30L	$ .84 Ea.
RV4NAYSD	$ .60 Ea.
RV4NAYSK	$ .62 Ea.
RV4L	$ .64 Ea.
RV6N	$ .99 Ea.
RV6L	$1.03 Ea.

TRW-MGR-0337

The above prices are based on packing controls with hardware in a plastic bag with bulk pack allowing for a maximum of 100 pieces in the intermediate carton.

1A. IRC will evaluate the possibility of RV4's and RV6's of buying at either a 3000 minimum quantity per order with 250 minimum quantity per item or 5000 minimum quantity per order and 100 minimum quantity per item. Other minimum quantity requirements will remain the same.

1B. IRC will announce the new prices in a few weeks, effective approximately November 1. Any orders received after IRC gives CTS the go-ahead with the new prices will be priced at the new prices.

Done

1C. IRC has looked at new OEM prices for the RA20, RV2, RV5, and RV6 and will incorporate them in their new suggested resale price list.

Done

2. IRC is working on phasing out 321(LT)'s and expects to have the units for rework at 30¢ per item ready for shipment in the very near future.

3. IRC agreed not to reorder any 96 series controls and will remove these types from the 1968 catalog.

4. IRC will change over from the 321(LT) to the RV4NAYSK and announce it to the trade by December 1.

5. IRC will evaluate the possibility of buying decade resistors and report back by November 15, 1967.

6. IRC to determine if 215 detents can be sold with present selector switch program and report back by November 15, 1967.

7. CTS agreed to review selector switch cost structure to determine if we could supply the Military wafer at the current industrial price.

8. IRC and CTS have agreed to the following sales goals for 1968:

Industrial Products	$115,000.00
Q control and pots	$525,000.00
Snaptrol	$300,000.00
Concentrikit and Snaptrol Dealer Stock	$25,000.00
MIL Controls	$400,000.00
ELS Stocks	$25,000.00
Switches	$125,000.00
TOTAL	$1,515,000.00

This obviously is in IRC Sales dollars rather than CTS Sales dollars. This is an overall increase of 22% relative to 1967.

That about ties up the major items still pending. In my opinion, quite a bit was accomplished at the meeting and with both IRC and CTS continuing to push for an improved distributor program, I feel confident that our sales will continue to grow.

Best regards,

CTS CORPORATION

W. A. Murphy

W. A. Murphy,
Marketing Manager

WAM/ri

SUPPLEMENTAL AGREEMENT

BPS

to

CTS-IRC AGREEMENT OF APRIL 8, 1959

THIS AGREEMENT, effective as of the 1st day of January, 1966, between CTS CORPORATION, an Indiana Corporation, hereinafter called "CTS" and IRC, INC., a Delaware Corporation, hereinafter called "IRC"

W I T N E S S E T H T H A T:

WHEREAS, the parties hereto entered into a certain Agreement dated the 8th day of April, 1959, (at which time CTS was known as "Chicago Telephone Supply Corporation" and IRC was known as "International Resistance Company"), the Agreement being amended by a Supplemental Agreement dated the 21st day of July, 1960, and by a Supplemental Agreement effective as of the 8th day of April, 1964; and

WHEREAS, the parties mutually desire to make certain changes in the said Agreement;

NOW, THEREFORE, the parties, intending to be legally bound hereby, agree as follows:

1. Cancel Paragraphs 4.1 through 4.6 inclusive.

2. In Paragraph 5.1, lines 1 and 2, delete the words "under paragraph 4.3" and insert therein the words ---received from the foreign licensees, namely Idar Industria De Articulos Radioelectricos Sociedad De Responsabilidad Limitada (the three-party agreement between CTS, IRC and Idar Industria De Articulos Radioelectricos Sociedad De Responsabilidad Limitada was canceled effective the 31st day of August, 1965); International Resistance Company (Australasia) Pty., Limited; Vitrohm Electronics Industri-aktieselskab; Infin S.A.S.; and Controles y Potenciometros S.A. (Co. y Po., S.A.)---.

3. Cancel the sentence in Paragraph 6.1 and rewrite as follows:

TRW-MGR-0339

---This agreement shall continue in effect, unless it is canceled earlier under paragraph 6.2 or 6.3 or for a substantial breach by one of the parties, for a period of five years from January 1, 1966, and thereafter until such time as either party has given the other at least three years' written notice; provided however, that CTS has the right to terminate the appointment of IRC as exclusive sales agent and marketer for the sale of military and industrial products as identified in Schedule A by giving IRC one year's written notice of intention to terminate at any time after January 1, 1966. On or after January 1, 1968; either party at any time has the right to cancel this agreement by giving the other party three years' written notice of intention to terminate.---.

4. Cancel Paragraph 6.4 and insert therein the following paragraph:

---IRC will continue to encourage International Resistance Company (Australasia) Pty., Limited; Vitrohm Electronics Industriaktieselskab; Infin S.A.S.; and Controles y Potenciometros S.A. (Co. y Po., S.A.) to manufacture and sell products and to receive royalties from the licensees through the 31st day of March, 1967, and will continue to pay to CTS its one-half share of all royalties received and that the licensees will be instructed to forward all royalties earned after the 31st day of March, 1967 directly to CTS and IRC shall not receive any royalties thereafter; provided however, that Idar Industria De Articulos Radioelectricos Sociedad De Responsabilidad Limitada shall continue to pay to IRC royalties after the 31st day of March, 1967 in accord with the Agreement of Cancellation between CTS, IRC, and Idar Industria De Articulos Radioelectricos Sociedad De Responsabilidad Limitada until the terms of the Agreement have been fulfilled. IRC agrees to the termination of the three-party agreements between CTS, IRC and the foreign licensees or to have its name removed from the three-party agreements prior to the 31st day of March, 1967.---.

5. In Paragraph 7.2, line 2, delete the words "paragraphs 4.1 and 4.2" and insert therein the words ---paragraph 5.1---.

ATTEST:

LaVerna A. Yoder
LaVerna A. Yoder
Assistant Secretary

(CORPORATE SEAL)

CTS CORPORATION

Basil S. Turner
Basil S. Turner, President

ATTEST:

Barry R. Spiegel
Barry R. Spiegel
Assistant Secretary

(CORPORATE SEAL)

IRC, INC.

John H. Dummer
John H. Dummer
Vice President

SCHEDULE A

A. General Purpose Variable Resistance Controls (Model Designation)

Q	45	
AW	HLC	
WP	110	Concentrikit parts and assemblies
4W	112	SNAPTROL type 45 parts and assemblies

B. Industrial and Military Controls (Model Designation)

25 - RA30	115	
252 - RA20	117	
90 - RV2	200	
320 (or 96) - RV4	201	
65 - RV5	321	
300 - RV6	212	selector switch and parts and detents

BRS

SUPPLEMENTAL AGREEMENT
to
CTS - IRC AGREEMENT OF APRIL 8, 1959

THIS AGREEMENT, effective as of the 15th day of March, 1964, between CTS CORPORATION, an Indiana Corporation hereinafter called "CTS" and INTERNATIONAL RESISTANCE COMPANY, a Delaware corporation, hereinafter called "IRC"

W I T N E S S E T H T H A T:

WHEREAS, the parties hereto entered into a certain Agreement dated the 8th day of April, 1959, (at which time CTS was known as "Chicago Telephone Supply Corporation"), making available to each the special skills, techniques, know-how, and facilities of the other, the Agreement being amended on July 21, 1960; and

WHEREAS, the parties mutually desire to make certain changes in the said Agreement;

NOW, THEREFORE, the parties, intending to be legally bound hereby, agree as follows:

1. In Paragraph 4.1, line 3, delete the words "other than in the United States of America and the Dominion of Canada" and substitute therein the words ---only in the countries of Argentina, Australia, Denmark, Italy and Mexico-~~AND~~ INDIA. JDH BST.

2. In Paragraph 4.2, line 4, delete the words "other than in the Dominion of Canada" and substitute therein the words ---only in the countries of Argentina, Australia, Denmark, Italy and Mexico-~~AND~~ INDIA JDH BST

3. In Paragraph 4.5, line 2, delete the words "outside of the United States of America and the Dominion of Canada" and substitute therein the words ---only in the countries of Argentina, Australia, Denmark, Italy and Mexico-~~AND~~ INDIA. JDH BST.

CTS CORPORATION

By Basil S. Turner
Basil S. Turner, President

(CORPORATE SEAL)
Attest:

James S. Taylor
Secretary

TRW-MGR-0342

INTERNATIONAL RESISTANCE COMPANY

By John H. Dummer
John H. Dummer, Vice President

(CORPORATE SEAL)
Attest:

Barney R. Spiegel
Asst Secretary

BRS

SUPPLEMENTAL AGREEMENT
to
CTS - IRC AGREEMENT OF APRIL 8, 1959

THIS AGREEMENT made this 21st day of July, 1960, between CTS CORPORATION, an Indiana corporation, hereinafter called "CTS" and INTERNATIONAL RESISTANCE COMPANY, a Delaware corporation, hereinafter called "IRC"

W I T N E S S E T H T H A T:

WHEREAS the parties hereto entered into a certain Agreement dated the 8th day of April, 1959 (at which time CTS was known as "Chicago Telephone Supply Corporation"), making available to each the special skills, techniques, know-how, and facilities of the other; and

WHEREAS the parties mutually desire to make certain changes in the said Agreement;

NOW, THEREFORE, the parties, intending to be legally bound hereby, agree as follows:

1. Wherever the word "switches" appears in Paragraphs 2.1 and 2.2 of the said Agreement, the words "on-off switches for variable resistors" are hereby substituted.

2. Paragraph 4.4 B of the said Agreement is hereby amended to read as follows:

--File and process in CTS's name, at CTS's expense, applications for patents in foreign countries to

be designated by IRC to cover inventions to be designated by IRC for which CTS has heretofore applied or may hereafter apply for patents in the United States; provided, however, that after any such patent issues, IRC shall pay all costs of maintaining the same and shall have the right, at any time, to abandon any such patent and cease paying the maintenance cost thereon, after giving prior notice to CTS of such intention to abandon;--

CTS CORPORATION

By Basil S. Turner
Basil S. Turner, President

(CORPORATE SEAL)

Attest:

W C Fitzgerald
Secretary

INTERNATIONAL RESISTANCE COMPANY

By Jesse Marsten
Jesse Marsten, Senior Vice President

(CORPORATE SEAL)

Attest:

Thomas M. Schubert
Assistant Secretary

TRW-MGR-0344

BRS

CABLE ADDRESS-CHIPHONE-BENTLEY CODE USED

Founded 1896

CHICAGO TELEPHONE SUPPLY CORPORATION

ELKHART ★ IND. U.S.A.

SPECIALISTS IN ELECTRONIC COMPONENTS

September 11, 1959

1) Bentley for info
2) E. Weyl - for your files
3) Document file

International Resistance Company
401 North Broad Street
Philadelphia 8, Pennsulvania

Attention: Mr. George Butler

Subject: Sales Agreement

Dear George:

This will acknowledge receipt of your sales agreement letter dated September 4. I have signed one copy which is being enclosed herewith.

You will note that I added Emerson Radio & Phonograph Corp., Jersey City, New Jersey under the New York territory which was evidently overlooked when you had this letter typed. In addition, I corrected the Service Division address from 425 to 524 West 23rd Street. The only other change is on page 3 where I have changed the Hagna Company to Magna Company. This evidently was a typographical error when we originally gave you the names of the companies which were house accounts in the Los Angeles territory.

With reference to the last sentence under the paragraph on compensation, it was my understanding from Bill Budd's visit with you recently that this would not appear in the agreement. Vannoy and Fieldbinder were to work out a mutually satisfactory method on this information but inasmuch as this sentence includes the basic idea of what is to be accomplished, I thought it best to sign and return the letter to you.

Sincerely yours,

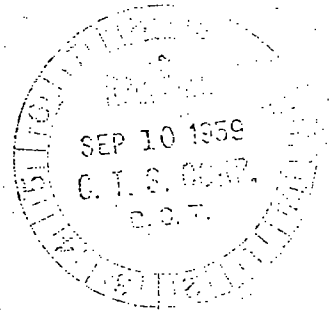
CHICAGO TELEPHONE SUPPLY CORPORATION

BY: Henry E Sanders

Henry E. Sanders
Sales Manager

HES/mp
Enclosure

TRW-MGR-0345



Mr. Henry Sanders, Sales Manager
Chicago Telephone Supply Corporation
1142 West Beardsley Avenue
Elkhart, Indiana

Dear Henry:

We accept your appointment of us as exclusive agents and agree to represent you for the sale of all of the products of your company and its subsidiaries, in the territories defined in paragraph 1 below, in accordance with the following provisions:

1. Territories

The territories in which we will represent you and act as your agents are:

New York Territory

The territory of the New York office is all of New Jersey north of Mercer and Monmouth counties; New York City; Long Island; and Rockland and Westchester counties.

The customers excluded are:

Emerson Radio & Phonograph Corp., Jersey City, N.J. WEJ 9/11/
Emerson Radio & Phonograph Corp., 524 W. 23rd St., New York 11, New York (Service Orders)
Bell Telephone Laboratories (all divisions)
Bogen-Presto Division of The Siegler Corporation
Western Electric Company (all divisions)
Allen B. DuMont Laboratories, Inc. (Instrument Division only)
Symphonic Electric Corporation
Westinghouse Electric Corporation (Metuchen)
Danelectro Corporation
Electronic Associates, Inc.
RCA (all divisions)
All export houses, such as International GE, RCA International, Ad Auriema, and International Standard Electric

Chicago Territory

The Chicago office territory includes Northern Illinois (except county of Rock Island) southward to/and including counties of Henry, Bureau, Putnam, La Salle, Grundy, and Kankakee; Southern Wisconsin counties of Jefferson, Waukesha, Milwaukee, Rock, Walworth, Racine, and Kenosha.

The customers excluded are:

Admiral Corporation
El-Rad Manufacturing Company
Eastwood Industries, Inc.
The Hallicrafters Company
Knight Electronics Corporation
Motorola, Inc. (all plants)
Offner Electronics, Inc.
Rauland-Borg Corporation
Revere Camera Company
Stewart-Warner Electronics
Trav-Ler Radio Corporation
Warwick Manufacturing Corporation
Wells-Gradner & Company
Webcor, Inc.
Zenith Radio Corporation
Beltone
Western Electric (all plants)
All export houses, such as Scheel International

Syracuse Territory

The Syracuse office territory includes all of the State of New York except Rockland and Westchester counties, New York City, and Long Island.

The customers excluded are:

TRW-MGR-0347

General Electric Company
- Heavy Military Electronic Equipment, Syracuse
- Heavy Military Electronic Equipment, Utica
- Television Receiver Division, Syracuse
- Technical Products Division, Syracuse
- Radio Receiver Division, Utica and Auburn
- Light Military Electronic Equipment, Utica

Sylvania Electric Products, Inc.
- Home Electronics Products Division (Radio, TV, Special Products and Military), Batavia

Philadelphia Territory

The Philadelphia office territory includes all of Virginia; the District of Columbia; Delaware; Maryland; the state of Pennsylvania westward to/and including counties of Adams, Dauphin, North Umberland, Cumberland, Montour, Columbia, Sullivan, Bradford; and the state of New Jersey south of and including Mercer and Monmouth Counties.

The customers excluded are:

Radio Corporation of America (all divisions)
Philco Corporation (all divisions)
Bendix Radio Division, Bendix Aviation Corporation, Towson, Maryland
Herbach & Rademan, Inc.
Western Electric (all plants)
Bell Telephone (all plants)
IRC

Los Angeles Territory

The Los Angeles office territory covers Southern California northward to/and including counties of San Luis Obispo, Kern, and San Bernardino; Southern Nevada northward to/and including counties of Esmeralda, Nye, and Lincoln.

The customers excluded are:

Audiotronics Corporation
Calbest Electronics Company
Califone Corporation
Fender Electric Instrument Company
Gonset Division, L.A. Young Spring & Wire Corporation
Magna Company
Hoffman Electronics Corporation, Los Angeles (Radio & TV)
Newcomb Electronics Corporation
Pacific Mercury Television Mfg. Corporation
Packard Bell Electronics (Radio & TV)
Western Electric (all plants)

HES 9/11/59

TRW-MGR-0348

2. Compensation

Your company or its subsidiaries will pay IRC commission at the rate of 3-1/2% of the net cash received from all shipments made to the customers in the territories defined in paragraph 1. This commission will be due and payable fifteen days after the close of the calendar month based on the net cash received from shipments made to the territories defined in paragraph 1. If the net cash received from these territories in any calendar month exceeds $121,400.00, you will pay IRC an additional commission equal to 1-1/2% or a total of 5% on the excess net cash received. This additional commission will be due and payable thirty days after the close of the calendar month. It is understood that $121,400.00 is equal to 80% of the average monthly shipments of Chicago Telephone Supply Corporation and its subsidiaries within the territories defined in paragraph 1 during the first five months of 1959 as revealed by the detailed lists of shipments attached to your letter to us dated July 2, 1959. Not withstanding the foregoing provision of this paragraph, you will provide us at least monthly not later than one week after the close of the month with a statement of all shipments made to our territories which will include at least your invoice number, date of shipment, name and address of customer and dollar amount of invoice.

3. Operation

Operational liaison between your company and its subsidiaries and ourselves will be conducted directly with our field sales people. We will supply you with the names of our district managers who are in charge of the territories defined in paragraph 1 and in addition we will provide you with the names of our field salesmen and the names of the customers for which each field salesman is responsible. You will provide us with the names of the responsible individual at each of your plants and subsidiaries to whom our field sales people should direct their inquiries and communications. We will send you copies of all correspondence made in your behalf with customers in the territories defined in paragraph 1, and will supply regular reports of visits, sales progress and sales problems in each of these territories. You will direct to our offices located in the defined territories copies of acknowledgments of all customers purchase orders and invoices for all products shipped to customers in these territories, and copies of all other

TRW-MGR-0349

communications with customers in these territories

4. Duration, Termination and Amendment

This agreement shall remain in effect for one year from the effective date stated in paragraph 5 and thereafter until terminated by either party giving written notice of termination to the other at least thirty days in advance of termination. Any amendment to this agreement shall be in writing.

5. Effective Date

This agreement shall be effective from July 1, 1959 and shall apply to all shipments made to the defined territories on and after that date. It is agreed that the quota for each calendar year will be negotiated at the beginning of the year. The quota will be based on the previous year's sales, forecast of sales, and other pertinent factors.

If the foregoing terms correctly state our understanding, please indicate your acceptance by signing and returning one copy of this letter to us.

George G. Butler
Director of Marketing

Accepted by: Henry E. Sanders
Henry Sanders
Sales Manager
Chicago Telephone Supply Corporation

BRS

THIS AGREEMENT OF AMENDMENT made as of the 8th day of April, 1959, between CHICAGO TELEPHONE SUPPLY CORPORATION, an Indiana corporation, and INTERNATIONAL RESISTANCE COMPANY, a Delaware corporation.

WITNESSETH:

The parties hereto desire to correct certain errors made in an agreement entered into by them as of this date and to accomplish this purpose hereby amend paragraph 7.2 of said agreement to read as follows:

7.2 CTS or one of its corporate subsidiaries, IRC and licensees under paragraphs 4.1 and 4.2, or any of them, may use IRC's name in the promotion, distribution, cataloging, labelling and sale of products covered by this agreement which were or are originally developed or manufactured by IRC and may use CTS's name in the promotion, distribution, cataloging, labelling and sale of products covered by this agreement which were or are originally developed or manufactured by CTS. The use of CTS's or IRC's names shall be subject to their respective approvals.

CHICAGO TELEPHONE SUPPLY CORPORATION

BY

/s/ BASIL S. TURNER

(CORPORATE SEAL)

Attest:

/s/ WILBERT H. BODD

INTERNATIONAL RESISTANCE COMPANY

BY

/s/ CHARLES GEE

(CORPORATE SEAL)

Attest:

/s/ VESSE MARSTEN

THIS AGREEMENT made as of the 8th day of April, 1959, between CHICAGO TELEPHONE SUPPLY CORPORATION, an Indiana corporation, hereinafter called "CTS", and INTERNATIONAL RESISTANCE COMPANY, a Delaware corporation, hereinafter called "IRC".

WITNESSETH:

1. Background

1.1 CTS and IRC have complementary skills, techniques, know-how and facilities and are essentially non-competitive. It would be advantageous to them and to their customers if each made use of the special skills, techniques, know-how, and facilities of the other. This agreement is intended to accomplish that objective, primarily with respect to general purpose variable resistors, by providing for the utilization by IRC of CTS's manufacturing skill, techniques, know-how, and facilities and the utilization by CTS of IRC's marketing skill, techniques, know-how, and facilities.

1.2 It is recognized by the parties hereto that CTS intends forthwith to cause wholly owned corporate subsidiary to be formed for the purpose of carrying out various parts of this agreement. It is also understood and agreed that CTS presently is operating through certain wholly owned corporate subsidiaries. In all instances hereinafter contained where one of CTS's corporate subsidiaries will be in fact carrying out obligations incumbent upon CTS, specific reference will be made to such fact. In all other instances the obligations assumed by CTS, unless so modified, will be considered as being personal

to it. The employment by CTS of wholly owned subsidiaries to carry out parts of this agreement shall in no way diminish CTS's primary responsibility and liability to IRC.

2. Manufacturing

2.1 CTS shall manufacture or cause one of its corporate subsidiaries to manufacture for IRC its lines of general purpose variable resistor products, switches, accessories and parts (herein collectively called "products") during the life of this agreement in quantities at least adequate to meet the normal demands of customers for which IRC is sales agent. These lines are those set forth in CTS Catalogue No. 71, a copy of which, marked "Exhibit A", is attached to this agreement and made part of it. In order to keep its line of products current and up to date, CTS and each of its corporate subsidiaries may from time to time substitute, modify, add to, or withdraw products.

2.2 IRC shall discontinue the manufacture of general purpose variable resistor products excluding, however, general purpose metal film variable resistors presently being developed under U. S. Government contract. IRC at the earliest practicable date, for and in consideration of Ten Dollars ($10.00), shall assign and transfer to CTS all IRC's United States patents and its proprietary rights of every kind covering IRC's lines of general purpose variable resistor products, switches, accessories and parts (herein collectively called "products"), excluding, however, general purpose metal film vari-

able resistors presently being developed under U. S. Government contract. CTS shall add these lines to its own and manufacture them or cause them to be manufactured by a corporate subsidiary under the terms of paragraph 2.1. These lines are those set forth in "Exhibit B" which is attached to this agreement. The assignment of said United States patents and transfer of the proprietary rights shall be subject to the rights of IRC's foreign licensees under the foreign license and engineering service agreements listed in "Exhibit C" attached hereto and made part hereof and CTS hereby recognizes and agrees to honor such rights.

2.3

A. The term "general purpose variable resistor products" as used in this agreement shall not be construed to include precision potentiometers.

B. Each party shall be entirely free to develop or acquire other products outside of the general purpose variable resistor field without obligation to include them in this agreement.

2.4 To facilitate the execution of paragraph 2.2,

A. IRC shall cause to be executed and delivered to CTS all appropriate assignments of patents and applications for patents and other proprietary documents;

B. IRC shall furnish CTS with all information, detailed descriptions, drawing, manufacturing processes and instructions relating to general purpose variable resistors possessed by IRC;

C. IRC shall furnish for such a period of time as is necessary original orientation, instruction, and guidance to the CTS manufacturing and engineering personnel or to the manufacturing and engineering personnel of any of its corporate subsidiaries who will initially direct production of the IRC product lines transferred; and

D. IRC will continue to carry on its payrolls for a maximum period of 90 days those individuals as shown on "The Asheville Plant Organization Chart dated October 1, 1958", a copy of which is marked "Exhibit D" and is attached to this agreement and is made a part hereof. It is contemplated that CTS or one of its corporate subsidiaries will evaluate the operations and employees above mentioned during this period of time and will negotiate working agreements with the individual employees. Prior to the expiration of 90 days, those employees with whom CTS or one of its corporate subsidiaries has been able to reach a working agreement will be transferred to the payrolls of CTS or one of its corporate subsidiaries and the others will be released to IRC. During this 90 day period, CTS or its corporate subsidiary agrees to reimburse IRC for the direct payroll costs plus the cost of fringe benefits actually incurred by IRC. IRC shall bill for these costs on a monthly basis.

2.5 To facilitate further the execution of paragraph 2.2, IRC agrees to sell, and CTS agrees to buy or to cause a corporate subsidiary to buy, IRC's manufacturing plant located near Asheville, North Carolina, and certain of the plant's equipment, machinery, fixtures, furniture, and inventories, for the prices and upon the terms and conditions set forth in an agreement, a copy of which is attached hereto marked "Exhibit E" and made a part hereof, which is being entered into simultaneously with the execution of this agreement. Basil S. Turner, the "Buyer" named in "Exhibit E" is acting in a trust capacity for the purpose of transferring his interest to the corporate subsidiary to be formed by CTS as recited in paragraph 1.2.

2.6 In acquiring IRC's Asheville Plant and taking over the manufacture of general purpose variable resistors there, CTS will accept or will cause its corporate subsidiary to accept into employment as employees all those IRC employees who at the time of transfer are represented by Local Union 185, IUE-AFL-CIO, as collective bargaining agent, and will assume and honor IRC's obligations under its collective bargaining agreement with Local Union 185 effective for the period from February 12, 1959, to February 12, 1960. As of the date of this agreement between CTS and IRC, the collective bargaining agreement has been signed in memo form but not in definitive form.

2.7 IRC has been supplying its licensees with certain variable resistor parts manufactured in IRC's Asheville Plant. CTS or its corporate subsidiary will continue the manufacture of such parts and sell them to IRC in quantities needed by IRC's licensees.

3. Marketing

3.1 During the life of this agreement, IRC shall be and is hereby designated by CTS and CTS will cause its corporate subsidiary to so designate IRC as exclusive sales agent and marketer in the United States for the sale of industrial stock controls covered by Stock Sheet 172 which is included in and is a part of "Exhibit A" to industrial distributors and for the sale of all types of replacement controls to replacement trade distributors. By agreement of CTS and IRC, the line of industrial stock controls may be modified from time to time to provide adequate coverage. CTS will not sell and will cause any of its corporate subsidiaries to agree not to sell industrial stock controls or replacement controls to distributors in the United States without the consent of IRC. Notwithstanding the preceding provisions of this paragraph, CTS may temporarily continue its relationship with General Cement Manufacturing Company, Division of Textron, Inc., until it can work out a termination of that relationship on a fair basis. Nothing herein shall be construed to prohibit IRC from reselling CTS general purpose variable resistors for export.

3.2 IRC shall devote its best efforts to the marketing and sale of all the products covered by paragraphs 2.1 and 2.2. CTS shall cooperate with IRC in IRC's working out of marketing, promotional, and advertising plans and materials relating to the products offered by IRC to distributors under this agreement. CTS reserves the right to require IRC to discontinue the use or modify any advertising material which CTS determines to be inappropriate.

3.3 IRC will carry out its sales agency by purchasing inventories from CTS or any of its corporate subsidiaries to be held by IRC for resale to authorized industrial and replacement trade distributors in the United States.

3.4

A. Where IRC purchases inventories of IRC parts and controls covered by paragraph 2.2 to be held by IRC for resale, CTS shall sell or cause one of its corporate subsidiaries to sell to IRC under present established transfer price schedules which may be altered from time to time by the parties as mutually agreed. A copy of the transfer price schedule currently in effect is attached hereto marked "Exhibit F" and made a part hereof.

B. Where IRC purchases inventories of parts and controls covered by paragraph 2.1 to be held by IRC for resale, CTS shall sell or cause one of its corporate subsidiaries to sell to IRC at price schedules applicable to original equipment manufacturers plus a burden factor to cover special services and engineering normally not supplied on OEM products.

4. License

4.1 CTS hereby appoints IRC its exclusive agent for the life of this agreement to license foreign companies to manufacture and sell, other than in

the United States of America and the Dominion of Canada, general purpose variable resistor products covered by paragraphs 2.1 and 2.2 together with the right to use and practice any and all patents, skills, techniques, processes and know-how developed and employed by CTS in the manufacture of such products. No appointment shall be made by IRC without prior discussion and consultation with CTS and such license agreements shall incorporate CTS as licensor, IRC as exclusive agent, and the foreign manufacturers as licensees.

4.2 IRC shall have the right to arrange for, and it is contemplated that IRC will arrange for, as a result of the licensing agency conferred on it under paragraph 4.1, supplementary license agreements with its existing licensees, other than in the Dominion of Canada, to manufacture and sell such products and to use and practice such patents, skills, techniques, processes and know-how. Such agreements shall include CTS as licensor, IRC as exclusive agent, and the foreign manufactures as licensees.

4.3 IRC shall compensate CTS for such license agency rights by paying to CTS one-half of any and all royalties and engineering service fees received by IRC which are in payment for such license rights. CTS hereby approves IRC's existing foreign royalty and engineering service fee schedules. IRC shall consult with and obtain CTS's approval before establishing any schedule which would reduce CTS's royalty and/or engineering service fee rates from IRC.

4.4 To facilitate the execution of paragraphs 4.1 and 4.2, CTS shall

A. Cause to be executed and delivered to licensees under paragraphs 4.1 and 4.2, all appropriate documents relating to foreign patents, patent applications, trade mark registrations and applications for trade mark registrations, and the like;

B. File and process in CTS's name, at IRC's expense, applications for patents in foreign countries to be designated by IRC to cover inventions to be designated by IRC for which CTS has heretofore applied or may hereafter apply for patents in the United States;

C. Furnish the licensee and IRC with information, detailed descriptions, drawings, manufacturing processes, and instructions relating to the licensed products;

D. Furnish original orientation, instruction, and guidance to the licensee engineering personnel and IRC and keep such personnel and IRC informed of and instructed in developments in the licensed products; and

E. Permit representatives of the foreign licensees and of IRC at reasonable intervals to visit CTS's plants to examine methods, processes, and equipment in operation.

4.5 IRC shall to the best of its ability encourage licensees outside of the United States of America and the Dominion of Canada to manufacture and sell the products licensed under paragraphs 4.1 and 4.2.

4.6 All information, instructions, technical advice, specifications, drawings, blueprints and other data furnished by either party to the other not specifically intended for disclosure to the public or to the trade shall be considered as confidential and the party receiving such confidential matter agrees to exercise every reasonable precaution to keep it secret.

5. Payments

5.1 IRC shall pay CTS its one-half share of royalties under paragraph 4.3 within 15 days after the receipt of such royalties by IRC. Any other payment due from either party to the other shall be made within 30 days after receipt of the invoice evidencing the amount due.

5.2 Each party, by an independent certified public accountant acceptable to both, shall have access at reasonable times to the records of the other for the purpose of verifying amounts due.

6. Duration and Termination

6.1 This agreement shall continue in effect, unless it is cancelled earlier under paragraph 6.2 or 6.3 or for a substantial breach by one of the parties, for a period of five years from its date, and thereafter from year to year, until either party has given the other at least one year's written notice of intention to terminate either at the end of such original five-year period or

any subsequent year, as the case may be.

6.2 This agreement shall automatically terminate the day before either of the following events occurs:

A. Either party is declared bankrupt or insolvent under the laws of the United States or any state; and

B. Either party makes an assignment for the benefit of its creditors.

6.3 If either party

A. Fails to make payments hereunder when due; or

B. Is placed in receivership; or

C. Becomes the subject of legal proceedings for extension of indebtedness, reorganization, or other financial relief; or

D. Defaults under any provision of this agreement;

then the other party may elect to terminate this agreement at the end of 30 days after it has sent to the party charged a written notice by registered or certified mail of intention to terminate. Such termination shall not take effect if the party charged within such 30-day period has remedied the violation or event and placed the parties in the position in which they were before such violation or event occurred.

6.4 If this agreement is terminated under the provisions of paragraph 6.1, the following rights and obligations shall thereupon arise and survive the termination of the agreement:

A. CTS's and IRC's foreign licensees may continue to manufacture and sell, employing proprietary information com-

TRW-MGR-0362

municated to them before termination, under the licenses provided for under paragraphs 4.1 and 4.2 as long as IRC is not in default under clause B below; and

B. IRC shall continue to compensate CTS under the provisions of paragraph 4.3.

6.5 If this agreement is terminated for any cause, IRC, for a period of three years from the effective date of such termination, shall not manufacture general purpose variable resistors other than resistors covered by paragraph 7.4.

7. General

7.1 Each party shall take all appropriate actions to facilitate the use by the other party of its patents, trade marks, copyrights, and applications therefor to the extent that such use is relevant within the framework of this agreement and to the extent that such use does not violate trade mark laws.

7.2 CTS or one of its corporate subsidiaries, IRC and joint licensees, or any of them, may use IRC's name in the promotion, distribution, cataloging, labelling and sale of products covered by this agreement which were or are originally developed or manufactured by CTS. The use of CTS's or IRC's names shall be subject to their respective approval.

7.3 Neither party during the life of this agreement will contest the validity of any patent of the other which is relevant to this agreement. Neither

party makes any warranty to the other as to the validity of any such patent.

7.4 Each party shall be free to enter into or to continue any and all kinds of U. S. Government contract enterprises, whether as prime contractor, subcontractor or supplier, without regard to this agreement.

7.5 Neither party may assign this agreement except by an assignment or transfer of substantially its entire business and assets, provided, however, that any part or parts of this agreement may be assigned by CTS to any of its present or future wholly owned corporate subsidiaries. This agreement shall bind, and inure to the benefit of, any such assignee or transferee.

7.6 Notwithstanding any other provisions of this agreement, neither party shall disclose to the other any information of any kind the disclosure of which is prohibited by law or government regulations.

7.7 Neither party shall be liable to the other for non-performance of its obligations where due to factors outside its control.

CHICAGO TELEPHONE SUPPLY CORPORATION

BY

/S/ BASIL S. TURNER

(CORPORATE SEAL)

Attest:

/S/ GILBERT H. BUDD

INTERNATIONAL RESISTANCE COMPANY

BY

/S/ CHARLES WEYL

(CORPORATE SEAL)

Attest:

/S/ JESSE MARSTEN

Exhibit C

Name of Licensee	Country In Which Based	Date of Basic Agreement	Current Royalty Rate	Current Engineering Service Fee Rate
Dubilier Condenser Company (1925) Ltd.	England	1/ 1/49	5%	---
International Resistance Company (Australasia) Pty. Ltd.	Australia	6/29/49	1%	4%
Neohm	Italy	5/ 1/50	1%	4%
Vitrohm Elektroteknisk Fabrik A/S	Denmark	1/ 1/47	1%	5%*
Deutsche Vitrohm G. m. b. H.	Germany	8/12/55	1%	4%
Industria De Articulos Radio Electricos Sociedad De Responsabilidad Limitada	Argentina	3/20/56	2½%	5%
John F. McLain***	Brazil**	8/ 6/58	2½%	5%
Productora De Articulos Electronicos S. A.	Mexico**	1/28/58	2½%	5%

*This is a gross fee subject to certain credits and rebates which reduce the net revenue to IRC.

**Not currently producing volume controls.

***About to be assigned to IRC Industria De Resistencias E Componentes Limitada.

Draft 3/25/59

TRW-MGR-0366

ERNST & ERNST
UNION COMMERCE BUILDING
CLEVELAND, OHIO 44115

14

TRW Inc.
Cleveland, Ohio

At your request, we have checked, as to compilation only, the table which appears in the Proxy Statement of IRC, Inc., dated January 3, 1968, under the heading "PRO FORMA INCOME AND PER SHARE DATA". Such table has been compiled based upon pertinent data included in the consolidated financial statements of TRW Inc., IRC, Inc. and United-Carr Incorporated and their respective subsidiaries and in the pro forma balance sheets which also appear in the aforementioned Proxy Statement.

In our opinion, the table identified above has been properly compiled on the bases described in the introduction and notes thereto.

Ernst & Ernst

Cleveland, Ohio
January 2, 1968

TRW-MGR-0367

file
IRC Bible

ERNST & ERNST
UNION COMMERCE BUILDING
CLEVELAND, OHIO 44115

January 4, 1968

Mr. E. E. Ford
Assistant General Counsel
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Dear Gene:

Enclosed are three copies of our letter relative to the "Pro Forma Income and Per Share Data" appearing in the IRC, Inc. Proxy Statement.

Sincerely yours,

Bruce D. Dixon
Partner

BDD/jad
Enclosures
cc: C. R. Allen
P. E. Priest
R. H. Palenschat

TRW-MGR-0368

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

RING BUILDING
WASHINGTON, D.C. 20036

January 19, 1968

31-gem
C-3002

Mr. David Hilpl
Department of Stock List
New York Stock Exchange
11 Wall Street
New York, N. Y. 10005

Re: TRW Inc.

Dear Dave:

In accordance with our discussions in New York on January 3, 1968, I am enclosing herewith the following documents in connection with the requested listing of $4.40 Convertible Preference Stock and Common Stock of TRW, Inc. which will be issuable in connection with the proposed merger of IRC, Inc. into TRW, Inc. and related transactions:

1. Five copies (one signed) of the listing application. This should be printed by Sorg Printing Company. In accordance with our discussions this application has been prepared to cover $4.40 Convertible Series 1 or alternatively Series 2. As we stated to you at our recent meeting, if the United-Carr and the IRC mergers are closed on the same date, Series 1 will be used for both the United-Carr and the IRC mergers. However, if the mergers are not closed on the same date, Series 2 will be used for the IRC merger.

2. Certified copies of resolutions adopted by the Board of Directors of the Company on November 16 and December 19, 1967.

3. Listing fee agreement - Form A. I understand that in due course you will bill the Company for the listing fee on the shares which are actually issued or issuable pursuant to this application.

4. Conflict of interest letter.

5. Copy of Regulations of TRW as amended, certified by the Secretary of TRW.

6. A copy of the Amended Articles of Incorporation of TRW effective June 29, 1967, certified by the Secretary of State of Ohio.

Mr. David Hilpl

January 19, 1968

7. A copy of proposed Amended Articles of Incorporation which have been adopted by the Board of Directors of TRW and which will be filed with the Secretary of State prior to the effective date of the merger. These Amended Articles are substantially the same as the copies previously submitted to you.

8. A copy of the Agreement of Merger dated November 28, 1967 between TRW and IRC, certified by the Secretary of TRW.

9. Two draft copies of our proposed legal opinion.

Appropriate action is being taken to comply with the applicable state securities laws in connection with the merger. No other approval by any public authority is required.

The stock certificates representing the $4.40 Convertible Preference Stock are being prepared by Security-Columbian Bank Note Company who have been directed to submit proof to you in advance of the final printing.

Very truly yours,

Carl C. Tucker

Carl C. Tucker

314gem-30
C-3002
1-10-68

LISTING APPLICATION
TO NEW YORK STOCK EXCHANGE

A-_____, 1968

TRW INC.

409,885 SHARES OF CUMULATIVE SERIAL PREFERENCE STOCK II,
$4.40 CONVERTIBLE SERIES 1 OR ALTERNATIVELY SERIES 2
($4.40 Convertible Preference Stock)

546,514 ADDITIONAL SHARES OF COMMON STOCK OF THE PAR VALUE
OF $2 50 EACH

TO BE ISSUED IN CONNECTION WITH MERGER OF IRC, INC.
INTO TRW INC. AND RELATED TRANSACTIONS

450,874 ADDITIONAL SHARES OF COMMON STOCK OF THE PAR VALUE
OF $2.50 EACH RESERVED FOR ISSUANCE UPON CONVERSION OF
$4.40 CONVERTIBLE PREFERENCE STOCK

Class	Number of shares issued as of December 31, 1967	Number of shareholders of record as of December 31, 1967
$4.40 Convertible Preference Stock . . .	None	None
Common Stock (including 592,172 treasury shares).	10,808,486	24,324

DESCRIPTION OF MERGER

Pursuant to an Agreement of Merger (the "Agreement") dated November 28, 1967 between TRW Inc. ("TRW") and IRC, Inc. ("IRC"), and subject to the satisfaction of the terms and conditions contained therein, IRC will be merged into TRW. TRW will be the surviving corporation and will continue its corporate existence as an Ohio corporation. On the effective date of the merger, each outstanding share of IRC Common Stock will be changed, by virtue of the merger and without further action by the holder thereof, into one-fourth share of TRW $4.40 Convertible Preference Stock and one-third share of TRW Common Stock.

Each share of TRW $4.40 Convertible Preference Stock will be entitled to preferred dividends of $4.40 a year, and will initially be convertible into 1.1 shares of TRW Common Stock. Only whole shares of TRW stock will be issued, and cash will be paid in lieu of fractional shares on the basis of $100 per share of TRW $4.40 Convertible Preference Stock and $82.50 per share of TRW Common Stock (the market price of TRW Common Stock on October 3, 1967, the day the exchange ratio was agreed upon subject to Board approval).

Reference is made to the IRC Proxy Statement dated January 3, 1968 and supplemental material dated January 22, 1968 which is attached hereto and made a part hereof for complete information concerning the merger, including a description of the business and properties of TRW and IRC, information concerning the proposed merger of United-Carr Incorporated ("United-Carr") into TRW, financial statements of TRW, IRC and United-Carr and descriptions of the TRW $4.40 Convertible Preference Stock and TRW Common Stock.

As set forth on Page 23 of the IRC Proxy Statement, the TRW Directors have authorized the establishment of the first two series of Serial Preference Stock II designated, respectively, Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 and Series 2. The only reason for establishing these two series and the only difference between the two series arises from the fact that, under the present TRW Articles of Incorporation, dividends are cumulative from and after the date of issuance of Serial Preference Stock II and the fact that such stock to be issued in the merger of IRC and in the proposed merger of United-Carr into TRW will be issued on different dates unless the effective date of the two mergers is the same. Dividends payable for a full quarterly period on Serial Preference Stock II issued in the merger of IRC and the proposed merger of United-Carr will accrue from the same date beginning with the first full quarterly dividend period after both mergers

have become effective. Series 2 will be issued pursuant to the Agreement of Merger with IRC if the merger of IRC becomes effective otherwise than on the day on which the proposed merger of United-Carr becomes effective or otherwise than on the 16th day of any March, June, September or December subsequent to the day on which the proposed merger of United-Carr becomes effective. The Agreement of Merger with IRC provides that, in the event Series 2 is initially issued, TRW will, after both mergers have become effective, use its best efforts to amend its then effective Articles of Incorporation at its first shareholders' meeting held more than 90 days after the last of such mergers so as to cause each share of Series 2 outstanding at the time such amendment becomes effective to be changed into one share of Series 1.

On the effective date of the merger, TRW will assume all outstanding stock options of IRC (32,765 shares of IRC Common Stock are reserved for these options) by substituting for each option to purchase shares of IRC Common Stock an option to purchase the number of shares of TRW $4.40 Convertible Preference Stock and TRW Common Stock into which such shares of IRC Common Stock covered by the option will be changed.

This listing application covers (a) the maximum number of shares of TRW $4.40 Convertible Preference Stock and Common Stock which may be issued to the stockholders of IRC on the effective date of the merger, (b) the maximum number of shares of TRW $4.40 Convertible Preference Stock which may be issued upon the exercise of the IRC stock options to be assumed by TRW pursuant to the Agreement, and (c) the number of shares of TRW Common Stock which will be reserved for issuance upon conversion of the TRW $4.40 Convertible Preference Stock covered by this application.

As set forth on Page 13 of the IRC Proxy Statement, the merger of IRC and the proposed merger of United-Carr are considered to be poolings of interests for accounting purposes. Therefore, under generally accepted accounting principles, TRW would expect to carry forward in its financial statements the assets and liabilities of IRC and United-Carr at their book values, and to carry forward the retained income of each company.

RECENT DEVELOPMENTS

There have been no significant developments affecting TRW or its business, notice of which has not been released to the public.

AUTHORITY FOR ISSUANCE

The Agreement has been approved by the Board of Directors of TRW at meetings held on November 16, 1967 and December 19, 1967. Under Ohio law no vote of the TRW shareholders is required. Amended Articles of Incorporation of TRW creating the $4.40 Convertible Preference Stock were adopted by the TRW Directors on December 19, 1967 and will become effective upon filing with the Secretary of State of Ohio prior to the time the merger becomes effective. The merger will become effective upon the filing of the Agreement in accordance with the laws of Ohio and of Delaware.

OPINION OF COUNSEL

The opinion of Jones, Day, Cockley & Reavis, 1750 Union Commerce Building, Cleveland, Ohio 44115, counsel for TRW, filed in support of this application, is to the effect that (a) the shares of TRW for the listing of which this application is being made will be, upon issuance as set forth herein, duly authorized, validly issued, fully paid, and nonassessable;

(b) no personal liability will attach to the holders of such shares under the laws of Ohio, in which TRW is incorporated and in which it maintains its principal place of business; (c) no registration is required under the Securities Act of 1933 ("1933 Act"), with respect to the issuance of shares of TRW $4.40 Convertible Preference Stock and TRW Common Stock to IRC stockholders when the merger becomes effective since, by reason of Rule 133 of the General Rules and Regulations of the Securities and Exchange Commission, no sale within the meaning of Section 5 of the 1933 Act will be involved; (d) assuming that no commission or other remuneration is paid to solicit conversion of TRW $4.40 Convertible Preference Stock issued at the time the merger becomes effective, the shares of TRW Common Stock issuable upon such conversion will be exempt from registration under the 1933 Act by virtue of the provisions of Section 3(a)(9) of the 1933 Act; and (e) no further application for registration of the additional shares of TRW Common Stock issuable to IRC stockholders when the merger becomes effective or upon conversion of TRW $4.40 Convertible Preference Stock is required under the Securities Exchange Act of 1934 ("1934 Act"), by reason of Rule 12d1-1 of the General Rules and Regulations of the Securities and Exchange Commission.

TRW has filed a registration statement under the 1933 Act covering the shares of its $4.40 Convertible Preference Stock and Common Stock deliverable upon the exercise of options granted by IRC and to be assumed by TRW pursuant to the Agreement (and the shares of Common Stock into which such $4.40 Convertible Preference Stock will be convertible). Such registration statement is expected to become effective on or about the effective date of the merger.

TRW has filed an application on Form 8-A for the registration of the $4.40 Convertible Preference Stock under the 1934 Act. When such registration has become effective, the $4.40 Convertible Preference Stock will be duly registered under the provisions of the 1934 Act. Until such registration has become effective, the $4.40 Convertible Preference Stock will be entitled to a temporary exemption from the provisions of Section 12(a) of the 1934 Act by reason of Rule 12a-5 of the General Rules and Regulations of the Securities and Exchange Commission under the 1934 Act.

GENERAL INFORMATION

The Transfer Agents for the $4.40 Convertible Preference Stock will be The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York; the Registrars will be The Cleveland Trust Company and Bankers Trust Company.

The Transfer Agents for the Common Stock are The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York; the Registrars are The Cleveland Trust Company and Chase Manhattan Bank.

TRW INC.

By_____
Vice President

The New York Stock Exchange hereby authorizes the listing of the above mentioned shares of $4.40 Convertible Preference Stock and Common Stock of TRW Inc. upon notice of issuance as follows:

409,885 shares of $4.40 Convertible Preference Stock and 546,514 additional shares of Common Stock upon official notice of issuance upon effectiveness of the merger with IRC, Inc. and related transactions; and

450,874 additional shares of Common Stock upon notice of issuance upon conversion of $4.40 Convertible Preference Stock,

making a total of 409,885 shares of $4.40 Convertible Preference Stock and 13,331,827 shares of Common Stock authorized for listing.

PHILLIP L. WEST, Director
Department of Stock List

ROBERT W. HAACK, President
New York Stock Exchange

C E R T I F I C A T E

The undersigned hereby certifies that he is the duly elected and acting Secretary of TRW Inc., an Ohio corporation; that attached hereto as Exhibit A is a true and correct copy of resolutions duly adopted by the Board of Directors of said Corporation at a meeting thereof duly called and held on November 16, 1967; that attached hereto as Exhibit B is a true and correct copy of resolutions duly adopted by the Board of Directors of said Corporation at a meeting thereof duly called and held on December 19, 1967; and that such resolutions have not been amended or rescinded and continue in full force and effect.

Certified at Cleveland, Ohio, this 12th day of January, 1968.

Paul W. Schuette, Secretary

Corporate Seal

EXHIBIT A

RESOLVED, that the proposed Agreement of Merger between this Corporation and United-Carr Incorporated ("United") providing for the merger of United into the Corporation, in the form which has been presented to this meeting and hereby is ordered filed with the records of the Corporation, with such minor and technical changes or corrections in such form as may be approved by the officers of the Corporation executing the same, hereby is approved.

FURTHER RESOLVED, that the proper officers of the Corporation hereby are authorized, for and on behalf of the Corporation, to execute and deliver, at such time as the officers executing the same shall deem appropriate, an Agreement of Merger in such form with any such changes or corrections.

FURTHER RESOLVED, that the officers of the Corporation hereby are authorized to take such action as they may deem necessary or desirable to cause the assets of United prior to its merger into the Corporation to be transferred immediately after the time such merger becomes effective to a wholly-owned subsidiary of the Corporation to be named United-Carr Corporation, and that initially the persons who are officers of United at the time such merger becomes effective shall hold the same offices in such subsidiary.

FURTHER RESOLVED, that the Executive Committee of this Board hereby is authorized to exercise any and all powers of this Board under and with respect to the Agreement of Merger between the Corporation and United.

FURTHER RESOLVED, that if in connection with the consummation of the merger of United into the Corporation any application or other instrument must be filed or other action must be taken by the Corporation to comply with the securities laws of any state, or the Corporation is required to qualify as a foreign corporation in any state, the officers of the Corporation hereby are authorized to file any such application or other instrument and to take all such action as may be required to effect such compliance or such qualification, and if in connection therewith any particular form of resolution shall be required such resolution shall be deemed hereby adopted provided a copy thereof shall be inserted in the record book of the Corporation following the minutes of this meeting.

FURTHER RESOLVED, that the officers of the Corporation, and each of them, hereby are authorized, empowered and directed, for and on behalf and in the name of the Corporation, to execute, deliver, file and record all such documents and instruments and to take or cause to be taken all such other action which in the judgment of the officers or any of them

may be necessary or advisable to effectuate the merger of United into the Corporation, and to carry out the terms of the Agreement of Merger between the Corporation and United and the foregoing resolutions and the intent and purposes thereof.

RESOLVED, that the proposed Agreement of Merger between this Corporation and IRC, Inc. ("IRC") providing for the merger of IRC into the Corporation, in the form which has been presented to this meeting and hereby is ordered filed with the records of the Corporation, with such minor and technical changes or corrections in such form as may be approved by the officers of the Corporation executing the same, hereby is approved.

FURTHER RESOLVED, that the proper officers of the Corporation hereby are authorized, for and on behalf of the Corporation, to execute and deliver, at such time as the officers executing the same shall deem appropriate, an Agreement of Merger in such form with any such changes or corrections.

FURTHER RESOLVED, that the Chairman, Vice Chairman, President or any Vice President of the Corporation be and hereby is authorized to execute and deliver for and on behalf of the Corporation (i) an agreement determining the amount of the equalizing cash dividend, if any, to be paid by IRC in accordance with clause (C) of paragraph (a) of Article XI of such Agreement of Merger, (ii) an Employment Agreement providing for employment of Wilson Oelkers by the Corporation for a period of five years, and (iii) a Consulting

Agreement providing for the rendition of consulting services by Edward S. Weyl to the Corporation for a period of five years, each such instrument to contain such terms not inconsistent with the foregoing and to be in such form as the officer executing it shall approve.

FURTHER RESOLVED, that the Executive Committee of this Board hereby is authorized to exercise any and all powers of this Board under and with respect to the Agreement of Merger between the Corporation and IRC.

FURTHER RESOLVED, that if in connection with the consummation of the merger of IRC into the Corporation any application or other instrument must be filed or other action must be taken by the Corporation to comply with the securities laws of any state, or the Corporation is required to qualify as a foreign corporation in any state, the officers of the Corporation hereby are authorized to file any such application or other instrument and to take all such action as may be required to effect such compliance or such qualification, and if in connection therewith any particular form of resolution shall be required such resolution shall be deemed hereby adopted provided a copy thereof shall be inserted in the record book of the Corporation following the minutes of this meeting.

FURTHER RESOLVED, that the officers of the Corporation, and each of them, hereby are authorized, empowered and directed, for and on behalf and in the name of the Corporation, to execute, deliver, file and record all such documents and instruments and to take or cause to be taken all such other action which in the judgment of the officers or any of them may be necessary or advisable to effectuate the merger of IRC into the Corporation, and to carry out the terms of the Agreement of Merger between the Corporation and IRC and the foregoing resolutions and the intent and purposes thereof.

RESOLVED, that upon each conversion of shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, and shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2, there be transferred from capital surplus or, if the Corporation shall have no capital surplus, from retained income to stated capital such amount, if any, as may be required to be so transferred in order to cause the stated capital for the shares of Common Stock issued upon such conversion to be equal to the par value of such shares of Common Stock.

EXHIBIT B

RESOLVED, that the following Amended Articles of Incorporation of the Corporation be and hereby are adopted:

/A copy of the Amended Articles of Incorporation adopted by this resolution is inserted in the record book following these minutes and is incorporated herein by this reference./

FURTHER RESOLVED, that the officers of the Corporation be and hereby are authorized and directed to cause a duly executed certificate of the adoption of such Amended Articles of Incorporation to be filed in the office of the Secretary of State of Ohio at such time, prior to the first to occur of the merger of United-Carr Incorporated into the Corporation or the merger of IRC, Inc., into the Corporation, as the officers executing the same shall determine.

RESOLVED, that the proposed Amendment to Agreement of Merger ("Amendment") between this Corporation and United-Carr Incorporated ("United") amending the Agreement of Merger dated November 29, 1967 between the Corporation and United, in the form which has been presented to this meeting and hereby is ordered filed with the records of the Corporation, hereby is approved.

FURTHER RESOLVED, that the officers of the Corporation hereby are authorized and directed, for and on behalf of the Corporation, to execute and deliver an Amendment in such form.

FURTHER RESOLVED, that the Agreement of Merger dated November 29, 1967 between this Corporation and United as amended by such Amendment hereby is approved, and that each of the resolutions heretofore adopted by this Board relating to such Agreement of Merger and the merger of United into the Corporation hereby is readopted with respect to such Agreement of Merger as so amended, and that the authority heretofore conferred upon the officers of the Corporation and the Executive Committee of this Board with respect to such Agreement of Merger and such merger shall in all respects apply to such Agreement of Merger as so amended.

RESOLVED, that the proposed Amendment to Agreement of Merger ("Amendment") between this Corporation and IRC, Inc. ("IRC") amending the Agreement of Merger dated November 28, 1967 between the Corporation and IRC, in the form which has been presented to this meeting and hereby is ordered filed with the records of the Corporation, hereby is approved.

FURTHER RESOLVED, that the officers of the Corporation hereby are authorized and directed, for and on behalf of the Corporation, to execute and deliver an Amendment in such form.

FURTHER RESOLVED, that the Agreement of Merger dated November 28, 1967 between this Corporation and IRC as amended by such Amendment hereby is approved, and that each of the resolutions heretofore adopted by this Board relating to such Agreement of Merger and the merger of IRC into the Corporation hereby is readopted with respect to such Agreement of Merger as so amended, and that the authority heretofore conferred upon the officers of the Corporation and the Executive Committee of this Board with respect to such Agreement of Merger and such merger shall in all respects apply to such Agreement of Merger as so amended.

RESOLVED, that, subject to the discretion of the officers as to the time and extent thereof, applications be made (a) to the New York Stock Exchange for listing upon notice of issuance of the shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("Series 1 Preference Stock"), of the Corporation to be issued upon consummation of the merger of United-Carr Incorporated ("United") into the Corporation and to be issuable upon exercise of options of United which in such merger shall become options to purchase shares of the Corporation, and (b) to the New York, Midwest, Philadelphia-Baltimore-Washington and Pacific Coast Stock Exchanges for listing upon notice of issuance of the shares of Common Stock of the Corporation to be issuable upon conversion of such shares of Series 1 Preference Stock.

FURTHER RESOLVED, that E. E. Ford, P. W. Schuette, T. R. Colborn, C. C. Tucker and H. J. Hansell and each of them, hereby are designated by the Corporation to appear before any department, committee, body or official of any of such exchanges, with authority to make such applications and agreements relative thereto and such changes therein as may be necessary or desirable to conform to applicable requirements for listing of such shares.

FURTHER RESOLVED, that each of the officers of the Corporation hereby is authorized for and on behalf of the Corporation to execute a power of attorney evidencing the foregoing appointment.

* * *

RESOLVED, that The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York hereby are appointed Transfer Agents, The Cleveland Trust Company and Bankers Trust Company hereby are appointed Registrars and The National City Bank of Cleveland hereby is appointed Dividend Disbursing Agent for the Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("Series 1 Preference Stock"), of the Corporation.

FURTHER RESOLVED, that the foregoing Transfer Agents and Registrars be and hereby are granted full authority relative to the issuance, registration, transfer and delivery of certificates for all shares of such stock, including the shares thereof to be issued in the merger of United-Carr Incorporated ("United") into the Corporation and to be issuable upon exercise of options of United which in such merger shall become options to purchase shares of the Corporation, in accordance with their respective regulations relating thereto and

with essentially the same authority as heretofore granted to the Transfer Agents and Registrars for the Corporation's Common Stock.

FURTHER RESOLVED, that the authority of The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York as Transfer Agents, The Cleveland Trust Company and The Chase Manhattan Bank as Registrars and The National City Bank of Cleveland as Dividend Disbursing Agent for the Common Stock of the Corporation hereby is extended to include the additional shares of Common Stock which may be issued from time to time upon conversion of shares of Series 1 Preference Stock.

FURTHER RESOLVED, that the officers of the Corporation and any of them hereby are authorized and directed to deliver or cause to be delivered to each of said institutions a certified copy of the foregoing resolutions and such other letters, instructions and documents, including opinions of counsel, as shall be necessary or desirable in connection with the authority and the extension of authority conferred pursuant to the foregoing resolutions.

* * *

RESOLVED, that The National City Bank of Cleveland hereby is appointed and authorized to act as Exchange Agent for

adjustment of fractional interests in shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, resulting from the merger of United-Carr Incorporated ("United") into the Corporation, and that the officers of the Corporation hereby are authorized and directed to take such action, and to authorize and direct such Exchange Agent to take such action, as such officers may deem necessary or advisable to effect adjustment of such fractional interests as provided in the Agreement of Merger between the Corporation and United.

* * *

RESOLVED, that the certificates for Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, shall be in such form not inconsistent with the terms and provisions of such stock and complying with the requirements of the New York Stock Exchange as shall be determined or approved by the officers of the Corporation.

* * *

RESOLVED, that, subject to the discretion of the officers as to the time and extent thereof, applications be made (a) to the New York Stock Exchange for listing upon

notice of issuance of shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, or alternatively of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2, of the Corporation to be issued upon consummation of the merger of IRC, Inc. ("IRC") into the Corporation and to be issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation, and (b) to the New York, Midwest, Philadelphia-Baltimore-Washington and Pacific Coast Stock Exchanges for listing upon notice of issuance of the shares of Common Stock of the Corporation to be issuable upon consummation of such merger, exercise of such options and upon conversion of such shares of Serial Preference Stock II.

FURTHER RESOLVED, that E. E. Ford, P. W. Schuette, T. R. Colborn, C. C. Tucker and H. J. Hansell, and each of them, hereby are designated by the Corporation to appear before any department, body, committee or official of any of such exchanges, with authority to make such applications and agreements relative thereto and such changes therein as may

be necessary or desirable to conform to applicable requirements for listing of such shares.

FURTHER RESOLVED, that each of the officers of the Corporation hereby is authorized for and on behalf of the Corporation to execute a power of attorney evidencing the foregoing appointment.

* * *

RESOLVED, that if shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("Series 1 Preference Stock"), of the Corporation shall be issued in the merger of IRC, Inc. ("IRC") into the Corporation and shall be issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation, the authority of The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York as Transfer Agents, The Cleveland Trust Company and Bankers Trust Company as Registrars and The National City Bank of Cleveland as Dividend Disbursing Agent for Series 1 Preference Stock hereby is extended to include such shares.

FURTHER RESOLVED, that if shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2 ("Series 2

Preference Stock"), of the Corporation shall be issued in the merger of IRC into the Corporation and shall be issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation:

1. The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York hereby are appointed Transfer Agents, The Cleveland Trust Company and Bankers Trust Company hereby are appointed Registrars and The National City Bank of Cleveland hereby is appointed Dividend Disbursing Agent for the Series 2 Preference Stock; and the foregoing Transfer Agents and Registrars be and hereby are granted full authority relative to the issuance, registration, transfer and delivery of certificates for all shares of such stock, including the shares thereof to be issued in such merger and to be issuable upon exercise of such options, in accordance with their respective regulations relating thereto and with essentially the same authority as heretofore granted to the Transfer Agents and Registrars for the Corporation's Common Stock.

2. The authority of The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York as Transfer Agents, The Cleveland Trust Company and The Chase Manhattan Bank as Registrars and The National City Bank of Cleveland

as Dividend Disbursing Agent for the Common Stock of the Corporation hereby is extended to include the additional shares of Common Stock which may be issued from time to time upon conversion of shares of Series 2 Preference Stock.

FURTHER RESOLVED, that the authority of the aforesaid Transfer Agents, Registrars and Dividend Disbursing Agent for the Common Stock of the Corporation hereby is extended to include the additional shares of Common Stock to be issued in the merger of IRC into the Corporation and the additional shares of Common Stock issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation.

FURTHER RESOLVED, that the officers of the Corporation and any of them hereby are authorized and directed to deliver or cause to be delivered to each of said institutions a certified copy of the foregoing resolutions and such other letters, instructions and documents, including opinions of counsel, as shall be necessary or desirable in connection with the authority and the extension of authority conferred pursuant to the foregoing resolutions.

* * *

RESOLVED, that if shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2 ("Series 2 Preference Stock"), shall be issued in the merger of IRC, Inc. ("IRC")

into the Corporation and shall be issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation, the certificates for Series 2 Preference Stock shall be in such form not inconsistent with the terms and provisions of such stock and complying with the requirements of the New York Stock Exchange as shall be determined or approved by the officers of the Corporation.

* * *

RESOLVED, that The National City Bank of Cleveland hereby is appointed and authorized to act as the agent of the Corporation to make cash adjustments for fractional interests in shares of Serial Preference Stock II and shares of Common Stock resulting from the merger of IRC, Inc. ("IRC") into the Corporation, and that the officers of the Corporation hereby are authorized and directed to take such action, and to authorize and direct such agent to take such action, as such officers may deem necessary or advisable to effect such cash adjustments of fractional interests as provided in the Agreement of Merger between the Corporation and IRC.

* * *

RESOLVED, that the officers of the Corporation hereby are authorized and directed for and on its behalf to execute

and file with the Securities and Exchange Commission pursuant to the Securities Act of 1933 a registration statement or registration statements and to do or cause to be done all things necessary or advisable in order to effect the registration under said Act of (1) the shares of Serial Preference Stock II and of Common Stock of the Corporation which shall be issuable upon exercise of options of United-Carr Incorporated ("United"), options of IRC, Inc. ("IRC"), and options of Hazelton Laboratories, Incorporated ("Hazelton"), which shall in connection with the acquisitions of those corporations by the Corporation become options to purchase shares of the Corporation, (2) the shares of Serial Preference Stock II and of Common Stock of the Corporation received in such acquisitions in respect of shares of United, IRC or Hazelton issued prior to such acquisitions upon exercise of options granted by United, IRC or Hazelton, respectively, and (3) the shares of Common Stock of the Corporation issuable upon conversion of such shares of Serial Preference Stock II.

FURTHER RESOLVED, that E. E. Ford, P. W. Schuette, T. R.Colborn, C. C. Tucker, H. J Hansell, J. B. Houck and J. S. Walker, and each of them, hereby are appointed as attorneys for this Corporation, with full power of

substitution, for and in the name, place and stead of the Corporation to sign and file such registration statement or registration statements and any and all amendments (including post-effective amendments) and exhibits thereto and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration or such securities, with full power and authority to do and perform any and all acts and things whatsoever requisite and necessary to be done in the premises, hereby ratifying and confirming and approving the acts of said attorneys or any of them or any such substitute.

FURTHER RESOLVED, that each of the officers of this Corporation hereby is authorized for and on behalf of the Corporation to execute powers of attorney evidencing the foregoing appointment.

* * *

RESOLVED, that the officers of the Corporation hereby are authorized to take all such action as they deem necessary or advisable to effect the registration of the Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, and the Cumulative Serial Preference Stock II, $4.40 Convertible Series 2, of the Corporation under the Securities Exchange Act of 1934.

* * *

RESOLVED, that the officers of the Corporation, and each of them, hereby are authorized and empowered for and on behalf and in the name of the Corporation, to execute, deliver, file and record all such documents and instruments and to take or cause to be taken all such other action which in the judgment of the officers or any of them may be necessary or advisable to effectuate the merger of United-Carr Incorporated into the Corporation and to carry out the terms of the Agreement of Merger between the Corporation and United-Carr Incorporated as amended by the Amendment approved at this meeting, to effectuate the merger of IRC, Inc. into the Corporation and to carry out the terms of the Agreement of Merger between the Corporation and IRC, Inc. as amended by the Amendment approved at this meeting and to carry out each of the foregoing resolutions and the intent and purposes thereof.

* * *

23—217

NEW YORK STOCK EXCHANGE

LISTING FEE AGREEMENT—FORM A.

AGREEMENT made this 12th day of January 1968 by

TRW Inc.,

a corporation duly organized and existing under the laws of the State of Ohio

(hereinafter called the Company), with the New York Stock Exchange (hereinafter called the Exchange),

WITNESSETH:

WHEREAS, the Company has filed its application (hereinafter called the application) for listing upon the Exchange of 409,885 shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 or alternatively Series 2, and 997,333 additional shares of Common Stock and;

WHEREAS, it is a condition precedent to the consideration of the application that an initial fee accompany the application to cover all issued shares and/or those shares to be issued promptly following approval of the application and, in addition, that there be filed with the Exchange an agreement pertaining to the payment of initial fees and continuing annual fees;

NOW, THEREFORE, in consideration of the Exchange receiving and considering the application for the listing of the above-mentioned shares of stock, the Company hereby covenants and agrees as follows:

1. The initial fee shall be computed in accordance with the Schedule of Listing Fees hereto annexed, and made a part hereof, and shall be paid the Exchange as follows:

(a) The initial fee covering 1,407,273 shares now issued and/or to be issued promptly following approval of the application shall be paid forthwith.

(b) An additional initial fee shall be paid on the anniversary date of the admission of the shares to trading covering any additional shares issued with respect to which no initial fee has been paid, except that the Exchange may require such payment at any time following issuance of such shares.

(c) Any payment due under paragraph 1(b) shall be made, notwithstanding the fact that any of such shares are subsequently reacquired by the Company and/or surrendered to it for exchange, cancelation or retirement.

2. Provided any of the shares covered by the application are outstanding and listed on the Exchange on the anniversary date of the admission of the shares to trading, or such other date as has been agreed upon with the Exchange, the Company will pay to the Exchange on such date, in accordance with the Schedule of Listing Fees hereto annexed, a continuing annual fee based upon the total number of shares outstanding (including any shares reacquired and not canceled or retired) at that date and listed in respect of which less than fifteen of such annual payments have been made. For the purpose of this paragraph 2, if any shares be retired they shall be considered to be the shares first issued.

Any payments under paragraphs 1(b) and 2 shall be made within thirty days after the due date.

IN WITNESS WHEREOF, the Company has caused these presents to be executed by its proper officers thereunto duly authorized and its corporate seal to be hereunto affixed, as of the day and year first above written:

TRW Inc.

by _____
(NAME AND TITLE)

[SEAL]

ATTEST:

_____
(NAME AND TITLE)

NEW YORK STOCK EXCHANGE

DEPARTMENT OF STOCK LIST

SCHEDULE OF LISTING FEES

January 1, 1964.

Listing applications should be accompanied by check to the order of "Treasurer, New York Stock Exchange" for the fees due at that time and, where applicable, an agreement to pay additional initial and continuing annual fees covering the shares to be listed under such application, in accordance with the following schedule.

I. Fees for Stock—Per Share Issued

Fee Bracket	*Initial Fee*	*Continuing Annual Fee*
First million shares	1¢	1/10¢
Second million shares	½¢	
Third million shares to 300 million shares	¼¢	1/20¢
In excess of 300 million shares	⅛¢	

The minimum initial fee payable at the time an application or supplement is processed is $250. Credit against initial fees will be limited to the number of shares determinable and issued at or about the time the application is processed.

The minimum continuing annual fee is $1,000 per annum, or $250 per stock issue, whichever is higher.

All fees will be calculated to the nearest dollar.

See Paragraph III for modifications of initial fees in special circumstances.

Notes re initial fees:

Where additional shares are applied for after the original listing of an issue, the total number of shares theretofore authorized for listing and issued will be used to determine the fee bracket.

Where application is made for listing securities to be issued upon exercise of option or conversion rights, or certificates of deposit, etc., are involved, or other similar contingencies where the amount which may be eventually issued cannot be foretold at the time that application is made, the initial fee due at the time of the application will cover only the number of shares determinable and issued at or about the time the application is processed The balance of the initial fee will accrue whenever shares are issued but will normally be billed only once each year on the anniversary date for the continuing annual fee.

Where a change in a listed security is effected which creates a new security or which alters any of the listed security's rights and preferences, the full initial and the continuing annual fee will apply.

(OVER)

TRW-MGR-0403

Notes re continuing annual fee:

The continuing annual fee is payable annually for fifteen years but no longer than the stock remains listed. The fee will be calculated on the number of shares listed on the anniversary date of the admission of the issue to trading on the Exchange. When more than one issue is listed, a single anniversary date will be used wherever appropriate.

II. Fees for Bonds and Similar Securities— Per Million Principal Amount

Regular bonds, debentures, etc.	$120
Short term—Maturity 5 years or less	$ 60
Relisting previously listed bonds on assumption by another obligor involving no change in original terms	$ 30

Fees are payable at the time of listing. There is no continuing annual fee for bonds and similar securities.

III. Modifications of Initial Fees

1. Under the following special circumstances, the initial fee for issued shares will be one-fourth of the normal rate although the normal continuing annual fee schedule will apply:

a. Where a change in the state of incorporation or re-incorporation under the laws of the same state occurs which is only technical in nature and does not otherwise affect the company, its operations, or its shareholders.

b. Where certificates of deposit, trust certificates, deposit receipts, etc., for listed securities are being listed.

c. Where previously unlisted securities are being listed in exchange for listed certificates of deposit, trust certificates, deposit receipts, etc.

2. Where shares have never been subject to payments under the continuing annual fee schedule and a nominal change is made in a listed stock (such as a change in the name of the company or a change in the par value or designation of the stock) four annual payments in accordance with the continuing annual fee will be charged for such shares.

IV. Refunds and Credits

1. No cash or credit refunds of listing fees will be made in any case where final action on an application has been taken, authorizing a listing.

2. In cases where an application is not acted upon favorably, $250 will be retained for the consideration of the application.

V. Special Cases

The full listing fee applies in all cases unless otherwise herein provided. The Exchange will interpret the application of these schedules to cases not specifically covered by the foregoing in the light of the general principles indicated.

TRW

OFFICE OF COUNSEL

January 19, 1968

New York Stock Exchange
Department of Stock List
11 Wall Street
New York, New York 10005

Gentlemen:

In connection with our application for the listing of shares of $4.40 Convertible Preference Stock and Common Stock of TRW Inc. in connection with the merger of IRC, Inc. into TRW Inc., this letter will confirm that no officer or Director of TRW Inc. or any of its subsidiaries has any direct or indirect interest (beneficial or otherwise) in IRC, Inc. and that we know of no voting trust for stock of either TRW Inc. or IRC, Inc.

This letter will also confirm that to the best of our knowledge there is no conflict of interest situation which now exists at IRC, Inc. or which will result from the proposed merger.

Very truly yours,

TRW INC.

By Eugene E. Ford
Vice President

31-gem
C-3002
1-18-68

DRAFT OF LEGAL OPINION

February , 1968

New York Stock Exchange
Department of Stock List
11 Wall Street
New York, N. Y. 10005

Gentlemen:

As counsel for TRW Inc., an Ohio corporation ("TRW"), we have examined the records relating to its organization including its Articles of Incorporation filed in the office of the Secretary of State of Ohio on June 17, 1916 and all amendments thereto.

We are familiar with the proceedings taken and proposed to be taken by TRW and by IRC, Inc., a Delaware corporation ("IRC"), in connection with the Agreement of Merger dated November 28, 1967 and the amendment thereto dated December 27, 1967 (the "Agreement") providing for (a) the merger of IRC into TRW, (b) the change of the outstanding shares of Common Stock of IRC into shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 or alternatively Series 2 without par value ("$4.40 Convertible Preference Stock"), and shares of Common Stock of the par value of $2.50 each of TRW, and (c) the change of outstanding options to purchase shares of Common Stock of IRC granted by IRC into options to purchase $4.40 Convertible Preference Stock and Common Stock of TRW.

We have also examined the resolutions adopted by the Board of Directors of TRW on November 16 and December 19, 1967 and by the Board of Directors of IRC on November 13 and December 22, 1967 with respect to the Agreement and related matters, the Proxy Statement of IRC dated January 3, 1968 and the supplemental material dated January 22, 1968, an executed copy of the Agreement, the IRC Qualified Stock Option Plan (1965) approved by the stockholders of IRC on May 3, 1965 as amended through January 31, 1967, the resolutions adopted by the stockholders of IRC at a special meeting held on February 13, 1968, the listing application of TRW for the listing upon the New York Stock Exchange upon notice of issuance of a maximum of 409,885 shares of $4.40 Convertible Preference Stock and a maximum of 1,407,273 additional shares of its Common Stock, the Registration Statement on Form S-8 filed by TRW under the Securities Act of 1933 ("1933 Act") in respect of certain shares of $4.40 Convertible Preference Stock and Common Stock, the Application on Form 8-A filed by TRW for registration of the $4.40 Convertible Preference Stock under the Securities Exchange Act of 1934 ("1934 Act"), and such other data as we have deemed relevant for the purposes of this opinion.

Based upon the foregoing, we are of the opinion that:

1. Upon the filing of the Agreement in accordance with the laws of Delaware and Ohio: (a) IRC will be merged into TRW, the surviving corporation, which will be duly organized and existing under the laws of Ohio; (b) the outstanding shares of Common Stock of IRC will be changed into shares of $4.40 Convertible Preference Stock and Common Stock of TRW upon the basis set forth in the Agreement, which shares of TRW will be duly authorized, validly issued, fully paid and non-assessable and no personal liability will attach to the holders of such shares under the laws of Ohio, which is both the state of incorporation of TRW and the state in which it maintains its principal place of business; and (c) the holders of certificates of Common Stock of IRC will cease to have any rights with respect to such stock and their sole rights will be with respect to the shares of TRW into which such shares of Common Stock of IRC shall have been changed by the merger and with respect to any cash adjustment for fractional shares to which they may be entitled under the Agreement.

2. The shares of $4.40 Convertible Preference Stock and Common Stock of TRW which may be delivered upon the exercise of outstanding stock options granted by IRC and to be assumed by TRW pursuant to the Agreement, as aforesaid, will be duly authorized and, when delivered pursuant to the exercise of such options, will be validly issued, fully paid and non-assessable and no personal liability will attach to the holders of such shares under the laws of Ohio.

3. The shares of Common Stock of TRW initially reserved for issuance upon the conversion of the $4.40 Convertible Preference Stock covered by the abovementioned listing application will be duly authorized and, when issued upon such conversion, will be validly issued, fully paid and non-assessable and no personal liability will attach to the holders of such shares under the laws of Ohio.

4. No registration under the 1933 Act is required with respect to the issuance of shares of $4.40 Convertible Preference Stock and Common Stock of TRW to holders of Common Stock of IRC at the time the merger becomes effective since, by reason of Rule 133 of the General Rules and Regulations of the Securities and Exchange Commission under the 1933 Act, no sale within the meaning of Section 5 of the 1933 Act will be involved.

5. Assuming that no commission or other remuneration is paid to solicit the conversion of the $4.40 Convertible Preference Stock of TRW covered by the abovementioned listing application, the shares of Common Stock of TRW issuable upon such conversion will be exempt from registration under the 1933 Act by virtue of the provisions of Section 3(a)(9) of the 1933 Act.

6. When the Registration Statement on Form S-8 which TRW has filed with the Securities and Exchange Commission under the 1933 Act covering the shares of its $4.40 Convertible Preference Stock and Common Stock deliverable upon the exercise of outstanding options granted by IRC and to be assumed by TRW pursuant to the Agreement (and the shares of Common Stock into which such shares of $4.40 Convertible Preference Stock will be convertible) has become effective, such shares of $4.40 Convertible Preference Stock and Common Stock will be duly registered under the 1933 Act.

7. Application for registration of the additional shares of Common Stock of TRW covered by the abovementioned listing application is not required under the 1934 Act by reason of Rule 12d1-1 of the General Rules and Regulations of the Securities and Exchange Commission under the 1934 Act.

8. When the Application on Form 8-A filed by TRW with the Securities and Exchange Commission under the 1934 Act for the registration of its $4.40 Convertible Preference Stock has become effective, such shares will be duly registered under the provisions of the 1934 Act. Until such registration has become effective, the $4.40 Convertible Preference Stock will be entitled to a temporary exemption from the provisions of Section 12(a) of the 1934 Act by reason of Rule 12a-5 of the General Rules and Regulations of the Securities and Exchange Commission under the 1934 Act.

Very truly yours,

JONES, DAY, COCKLEY & REAVIS

IRC, Inc.

401 North Broad Street

Philadelphia, Pennsylvania 19108

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January 23, 1968

To Our Stockholders:

Our Proxy Statement dated January 3, 1968 referred to a proposed merger of United-Carr Incorporated into TRW Inc. A meeting of the United stockholders to vote on the United merger has now been called for February 15, 1968 and a Proxy Statement is being distributed to the United stockholders.

When our Proxy Statement was mailed to you, we did not have available figures showing the backlog of orders of your Company and of TRW as of the year-end. Year-end backlog figures and delivery schedules of TRW have since been compiled and are included in the Proxy Statement of United and in the Prospectus which is being distributed to the stockholders of Hazleton Laboratories Incorporated in connection with the proposed acquisition by TRW of shares of Hazleton. The proposed Hazleton transaction is also referred to in our Proxy Statement of January 3. We are therefore now in a position to submit to you the attached information relating to the estimated backlogs of orders both of TRW and IRC and an estimate of the amount of the respective backlogs at December 31, 1967 which may be delivered in 1968 and 1969. **In order to allow ample time for this information to reach all stockholders, the meeting on January 30 will be recessed until 1:30 P.M. (Eastern Standard Time) on February 14, 1968, to be held at the same place, and a vote will not be taken until that time.**

We wish to remind you that the approval of the proposed merger with TRW requires the affirmative vote of at least two-thirds of the outstanding shares of the Common Stock of IRC. We have had a gratifying return of Proxies in response to our letter of January 3. If you have not already sent in your Proxy, we earnestly hope that you will, whether your holding is large or small. A Proxy and return envelope are enclosed herewith. If you have previously sent in your Proxy, it will be voted as indicated, unless revoked before it has been voted. If more than one Proxy is received from you, the Proxy bearing the latest date will be voted.

I would emphasize that, as pointed out in the Proxy Statement, your management recommends a vote FOR the proposed merger.

Thank you for your cooperation.

With best wishes.

Sincerely,

Wilson H. Oelkers,
President

TRW-MGR-0409

INFORMATION RELATING TO BACKLOGS OF IRC, INC. AND TRW INC.

The backlog of orders of TRW's domestic and Canadian operations is estimated to have been $383,000,000 at December 31, 1965, $538,000,000 at December 31, 1966, and $537,000,000 at December 31, 1967, of which it is estimated that the direct or indirect Government business accounted for $247,000,000, $287,000,000 and $349,000,000, respectively. The preparation and interpretation of TRW's backlog figures involves a substantial amount of estimating, forecasting and the application of commercial judgment, particularly with respect to customer requirements contracts and blanket orders where quantities have not been specified, and with respect to long-term contracts of a cost-reimbursement or incentive nature. Also, most of TRW's sales contracts are subject to partial or complete termination by the customer. Subject to various qualifications, including those set forth herein, and assuming no terminations or changes and completion of all the year-end orders in the normal course, TRW estimates that approximately 83% of the estimated December 31, 1967 backlog may be delivered in 1968, 14% in 1969 and 3% in 1970. There is no certainty as to whether or when or to what extent the backlog of TRW will be translated into sales, nor can the ratio of future Government direct and indirect sales to other sales be determined from backlog estimates.

In the case of IRC, the year-end backlog of orders at December 31, 1967 is estimated to have been approximately $9,300,000 as compared with approximately $14,300,000 at December 31, 1966. IRC estimates that approximately 28% of its backlog at December 31, 1966 and 31% of its backlog at December 31, 1967 were for Government end use. The reasons for the recent decline in IRC's sales are set forth on the bottom of page 10 of our Proxy Statement. Subject to the fact that our backlog involves estimating, forecasting and the application of commercial judgment, and the uncertainty as to whether or when or to what extent our backlog will be translated into sales, we currently anticipate that substantially all of such orders would be shipped during 1968.

It is inappropriate to make a comparsion of the backlogs estimated by TRW with those estimated by IRC. The two companies have quite different businesses and are believed to have followed different procedures in estimating backlogs.

IRC File

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

RING BUILDING
WASHINGTON, D.C. 20036

January 25, 1968

26-ls
C-2839

Mr. E. E. Ford
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Dear Gene:

Herewith three copies of the supplemental letter dated January 23, 1968, which was mailed by IRC, Inc.

Very truly yours,

Charles E. Bodurtha

Charles E. Bodurtha

Enclosure

IRC. 9

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IRC, INC. AND CONSOLIDATED SUBSIDIARY

Accountants' Report

Financial Statements and Supplementary Data - December 31, 1967

TRW-MGR-0412

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
1500 WALNUT STREET
PHILADELPHIA, PA. 19102

The Board of Directors
IRC, Inc.:

We have examined the consolidated balance sheet of IRC, Inc. and consolidated subsidiary as of December 31, 1967 and the related statements of earnings and earnings retained for use in the business and the statement of source and disposition of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As regards Holyoke Wire and Cable Corporation, whose accounts are included in the accompanying consolidated financial statements, we have received the report of other independent public accountants who have examined the financial statements of such subsidiary.

In our opinion, based upon our examination and the aforementioned report of other independent public accountants, the accompanying consolidated balance sheet and statements of consolidated earnings and consolidated earnings retained for use in the business present fairly the financial position of IRC, Inc. and consolidated subsidiary at December 31, 1967 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the accompanying consolidated statement of source and disposition of funds for the year ended December 31, 1967 presents fairly the information shown therein. The current year's supplementary data included in Schedules 1 - 4 have been subjected to the same auditing procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the consolidated basic financial statements taken as a whole.

Peat, Marwick, Mitchell & Co.

January 26, 1968

TRW-MGR-0413

See accompanying

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Consolidated Balance Sheet

December 31, 1967
with comparative figures as of January 1, 1967

Assets	1967	1966
Current assets:		
Cash	$ 671,866	1,527,541
Time deposits and short-term notes, at cost and accrued interest	7,060,169	5,652,300
Accounts receivable:		
Trade, less provision for losses $235,700 (1966 - $292,500)	4,464,382	5,764,321
Other	171,035	223,439
	4,635,417	5,987,760
Inventories, at lower of cost or market:		
Finished goods	2,003,231	2,269,309
Work in process	2,460,328	2,326,699
Raw materials	2,947,274	3,125,527
Total inventories	7,410,833	7,721,535
Prepaid expenses	299,147	134,064
Total current assets	20,077,432	21,023,200
Plant and equipment, at cost:		
Land and land improvements	459,587	349,638
Buildings	3,094,150	1,532,828
Machinery, equipment, furniture and fixtures	12,540,399	11,324,659
Improvements in progress	1,432,535	997,207
Improvements to leased property	1,063,010	1,223,855
	18,589,681	15,428,187
Less accumulated depreciation and amortization	8,451,307	7,430,871
Net plant and equipment	10,138,374	7,997,316
Other assets:		
Notes receivable, long-term	43,334	105,000
Investment in and advances to wholly-owned foreign subsidiary, at cost (note 2)	89,867	95,237
Life insurance, at cash surrender value	100,607	89,536
Patents, less amortization	60,173	71,413
Miscellaneous	40,000	1
Total other assets	333,981	361,187
	$ 30,549,787	29,381,703

Liabilities and Stockholders' Equity	1967	1966
Current liabilities:		
Accounts payable	$ 1,341,521	1,645,045
Deductions from payrolls, largely for taxes	211,178	265,732
Accrued payrolls, commissions and other expenses	1,410,143	1,739,768
Federal and State income taxes (note 3)	1,068,974	2,881,730
Total current liabilities	4,031,816	6,532,275
Deferred income taxes, etc. (note 3)	144,595	391,578
Stockholders' equity:		
Common stock, 10¢ par value. Authorized 2,500,000 shares; issued 1,617,853 shares (1966 - 1,596,047 shares) (note 4)	161,785	159,604
Capital in excess of par value of shares issued (note 5)	5,614,264	5,118,602
Earnings retained for use in the business (note 2)	20,621,838	17,204,155
	26,397,887	22,482,361
Less 1,000 shares of common stock in treasury, at cost	24,511	24,511
Total stockholders' equity	26,373,376	22,457,850
	$ 30,549,787	29,381,703

See accompanying notes to financial statements.

TRW-MGR-0414

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Statement of Consolidated Earnings

Year ended December 31, 1967
with comparative figures for year ended January 1, 1967

	1967	1966
Income:		
Net sales of products	$ 51,082,375	55,298,107
Licensees, less foreign income taxes withheld at source	739,323	995,211
Miscellaneous, principally interest	306,424	356,461
	52,128,122	56,649,779
Costs incurred in the operation of the business:		
Cost of sales (excluding depreciation and amortization)	32,237,831	34,769,575
Selling, advertising, research, general and administrative expenses	8,569,505	8,481,485
Depreciation and amortization	1,895,461	1,533,662
Miscellaneous charges	74,351	611,218
	42,777,148	45,395,940
Earnings before Federal and State income taxes	9,350,974	11,253,839
Provision for Federal and State income taxes (including deferred income taxes of ($120,000) in 1967 and $15,000 in 1966) (note 3)	4,287,000	5,594,000
Net earnings ($3.16 per share; 1966 - $3.56 per share)	$ 5,063,974	5,659,839

See accompanying notes to financial statements.

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Statement of Consolidated Earnings Retained for Use in the Business

Year ended December 31, 1967
with comparative figures for year ended January 1, 1967

	1967	1966
Balance at beginning of year (note 2)	$ 17,204,155	13,366,865
Adjustment to reflect change of pooled subsidiary's accounting period	194,639	-
	17,398,794	13,366,865
Net earnings for the year	5,063,974	5,659,839
	22,462,768	19,026,704
Cash dividends:		
IRC, Inc., $1.15 per share	1,824,308	1,731,130
Pooled subsidiary prior to acquisition	16,622	91,419
	1,840,930	1,822,549
Balance at end of year	$ 20,621,838	17,204,155

See accompanying notes to financial statements.

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Consolidated Statement of Source and Disposition of Funds

Year ended December 31, 1967

Source of funds:	
Net earnings for year	$ 5,063,974
Depreciation and amortization	1,895,461
Exercise of stock options	505,053
Adjustment to reflect working capital change of pooled subsidiary (note 2)	168,719
Miscellaneous	41,181
	7,674,388
Disposition of funds:	
Additions to plant and equipment	4,036,767
Dividends paid	1,840,930
Reduction in deferred taxes	242,000
	6,119,697
Increase in working capital	$ 1,554,691

See accompanying notes to financial statements.

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Notes to Financial Statements

December 31, 1967

(1) Agreement of Merger

On November 28, 1967 the company entered into an agreement of merger with TRW, Inc., subject to stockholder approval at a special meeting on January 30, 1968 (to be recessed to February 14, 1968). Among other things, the agreement provides for the exchange of one-fourth share of TRW Cumulative Serial Preference Stock II ($4.40 Convertible Preferred Stock) and one-third share of TRW common stock for each outstanding share of IRC common stock.

(2) Principles of Consolidation

The acquisition of Holyoke Wire and Cable Corporation, acquired in April, 1967 in exchange for 87,493 shares of common stock, has been accounted for as a pooling of interests and its operations are included for the entire year. The accounts are included for the year 1966 for comparative purposes on the basis of Holyoke's fiscal year ended June 30, 1966. Earnings retained for use in the business as of January 2, 1966 have been restated in the amount of $1,041,189 to include the retained earnings of Holyoke.

The accounts of two inactive United States companies, an inactive foreign company and a Puerto Rican subsidiary are not included in the consolidation because they are not of significant size.

(3) Income Taxes

Investment credit under the Revenue Act of 1962 with respect to IRC, Inc. for the years 1962 and 1963 and Holyoke for the years through 1966 has been deferred and is being taken into income ratably over the estimated life of the respective asset. The amount deferred (approximately $85,000 at December 31, 1967) is included in "Deferred income taxes, etc." The credit with respect to 1967, approximately $110,000, has been treated as a reduction in the current provision for income taxes.

Depreciation charged in the accounts for the year, generally on the sum-of-the-years digits basis, exceeds the amount of depreciation to be claimed in the company's Federal income tax return by approximately $265,000. Accordingly, deferred income taxes provided in prior years when tax depreciation exceeded the amount charged in the accounts has been credited to income.

(4) Common Stock

At the beginning of the year, there were outstanding options to purchase 2,080 shares of common stock under a restricted stock option plan and 42,056 shares of common stock under a qualified stock option plan. The shares of stock under option and changes therein for the year are summarized as follows:

(Continued)

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Notes to Financial Statements, Continued

(4) Common Stock, Continued

	Shares	
	Restricted plan	Qualified plan
Under option at beginning of year	2,080	42,056
Options granted	-	2,000
Options exercised	(2,080)	(19,726)
Options cancelled	-	(2,925)
Under option at end of year	-	21,405
Prices at which shares under option at end of year are exercisable (at market on the respective dates of grant)		$ 20.85 to $ 40.70
Reserved for granting of future options		43,121

(5) Capital in Excess of Par Value of Shares Issued

During the year capital in excess of par value changed as follows:

Balance January 1, 1967 (as previously reported)	$ 4,296,276
Excess of par value of capital stock of pooled company over par value of common stock issued (note 2)	822,326
Balance January 1, 1967 as restated	5,118,602
Excess of proceeds over par value of shares of common stock issued upon exercise of stock options	502,872
Expenses in connection with pooling of interests	(7,210)
Balance December 31, 1967	$ 5,614,264

(6) Retirement Plans

Eligible employees may be participants in the company's contributory pension plan and in one of four non-contributory pension plans. The plans are funded or insured. Based on years of credited service, the pension payable under the non-contributory plans at the normal retirement age of 65 will vary from a minimum of $15.00 per month to a maximum of $106.50, depending upon the plan in which the employee is a participant. Under the contributory plan, the normal retirement benefit at age 65 consists of a "past service factor" for participants whose continuous service antedates January 1, 1949 and a "future service factor" for all participants.

(Continued)

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Notes to Financial Statements, Continued

(6) Retirement Plans, Continued

The cost of the plans charged to operations for 1967 (normal cost and past service cost, where applicable) amounted to approximately $437,000. At January 1, 1967 the remaining unfunded past service liability was estimated to be $387,000. As of December 31, 1967 the unfunded past service liability was estimated to be $1,340,000, such increase resulting from amendment to a non-contributory plan providing for increased benefits. Based upon a preliminary determination, the aggregate assets of the plans approximate the vested benefits thereunder.

Salaried employees of the consolidated subsidiary are covered by a deposit administration group annuity pension plan adopted January 1, 1965. The cost of the plan charged to operations in 1967 was $20,500 which includes amortization of prior service cost over approximately 10 years and the unfunded prior service liability at December 31, 1967 approximated $150,500.

(7) Leases

Minimum annual rentals for leased property (excluding taxes, insurance and maintenance costs where payable by the lessee) total approximately $720,000, the major portion of which relates to leases expiring in 1972 and 1981.

(8) Renegotiation

Certain of the sales in 1966 and 1967 are subject to the Renegotiation Act of 1951, as amended. In the opinion of the company, any refund requested will not be material in amount.

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Schedule 1

Consolidating Balance Sheet

December 31, 1967

Assets	Consolidated	Eliminations	IRC, Inc.	Holyoke Wire and Cable Corporation (a)
Current assets:				
Cash	$ 671,866	-	434,264	237,602
Time deposits and short-term notes, at cost and accrued interest	7,060,169	-	6,811,969	248,200
Accounts receivable:				
Trade accounts	4,700,082	-	4,219,860	480,222
Less provision for losses	235,700	-	200,000	35,700
	4,464,382	-	4,019,860	444,522
Other	171,035	-	171,035	-
	4,635,417	-	4,190,895	444,522
Inventories, at lower of cost or market:				
Finished goods	2,003,231	-	1,956,433	46,798
Work in process	2,460,328	-	1,971,246	489,082
Raw materials	2,947,274	-	2,038,366	908,908
	7,410,833	-	5,966,045	1,444,788
Prepaid expenses	299,147	-	258,641	40,506
Total current assets	20,077,432	-	17,661,814	2,415,618
Plant and equipment, at cost:				
Land and land improvements	459,587	-	401,985	57,602
Buildings	3,094,150	-	2,340,805	753,345
Machinery, equipment, furniture and fixtures	12,540,399	-	11,738,655	801,744
Improvements in progress	1,432,535	-	1,334,564	97,971
Improvements to leased property	1,063,010	-	1,063,010	-
	18,589,681	-	16,879,019	1,710,662
Less accumulated depreciation and amortization	8,451,307	-	7,719,393	731,914
Net plant and equipment	10,138,374	-	9,159,626	978,748
Other assets:				
Notes receivable, long-term	43,334	-	43,334	-
Investments and advances:				
Subsidiaries	89,867	3,041,222	3,131,089	-
Other	40,000	-	40,000	-
	129,867	3,041,222	3,171,089	-
Patents, less amortization	60,173	-	60,173	-
Life insurance, at cash surrender value	100,607	-	-	100,607
Total other assets	333,981	3,041,222	3,274,596	100,607
	$ 30,549,787	3,041,222	30,096,036	3,494,973

(a) Examined by Lybrand, Ross Bros. & Montgomery.

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Consolidating Balance Sheet, Continued

Liabilities and Stockholders' Equity	Consolidated	Eliminations	IRC, Inc.	Holyoke Wire and Cable Corporation (a)
Current liabilities:				
Accounts payable	$ 1,341,521	-	1,203,980	137,541
Deductions from payrolls, largely for taxes	211,178	-	193,350	17,828
Accrued payrolls, commissions and other expenses	1,410,143	-	1,268,729	141,414
Federal and State income taxes	1,068,974	-	926,601	142,373
Total current liabilities	4,031,816	-	3,592,660	439,156
Deferred income taxes, etc.	144,595	-	130,000	14,595
Stockholders' equity:				
Common stock	161,785	831,075	161,785	831,075
Capital in excess of par value of shares issued	5,614,264	-	5,614,264	-
Earnings retained for use in the business	20,621,838	2,210,147	20,621,838	2,210,147
	26,397,887	3,041,222	26,397,887	3,041,222
Less common stock in the treasury, at cost	24,511	-	24,511	-
Total stockholders' equity	26,373,376	3,041,222	26,373,376	3,041,222
	$ 30,549,787	3,041,222	30,096,036	3,494,973

(a) Examined by Lybrand, Ross Bros. & Montgomery.

Schedule 2

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Consolidating Statement of Earnings

Year ended December 31, 1967

	Consolidated	Eliminations	IRC, Inc.	Holyoke Wire and Cable Corporation (a)
Income:				
Net sales	$ 51,082,375	-	44,178,543	6,903,832
Licensees, less foreign income taxes withheld at source	739,323	-	739,323	-
Net earnings of pooled subsidiary	-	699,338	699,338	-
Miscellaneous	306,424	-	303,502	2,922
	52,128,122	699,338	45,920,706	6,906,754
Costs incurred in the operation of the business:				
Cost of sales (excluding depreciation and amortization)	32,237,831	-	27,399,076	4,838,755
Selling, advertising, research, general and administrative expenses	8,569,505	-	8,069,625	499,880
Depreciation and amortization	1,895,461	-	1,781,812	113,649
Miscellaneous charges	74,351	-	66,219	8,132
	42,777,148	-	37,316,732	5,460,416
Earnings before Federal and State income taxes	9,350,974	699,338	8,603,974	1,446,338
Provision for income taxes:				
Federal:				
Current	4,021,000	-	3,370,000	651,000
Deferred	(120,000)	-	(120,000)	-
State	386,000	-	290,000	96,000
	4,287,000	-	3,540,000	747,000
Net earnings	$ 5,063,974	699,338	5,063,974	699,338

(a) Examined by Lybrand, Ross Bros. & Montgomery.

Schedule 3

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Consolidating Statement of Earnings Retained for Use in the Business

Year ended December 31, 1967

	Consolidated	Eliminations	IRC, Inc.	Holyoke Wire and Cable Corporation (a)
Balance at beginning of year	$ 17,204,155	1,332,792	17,204,155	1,332,792
Adjustment to reflect change of pooled subsidiary's accounting period	194,639	194,639	194,639	194,639
	17,398,794	1,527,431	17,398,794	1,527,431
Net earnings for the year	5,063,974	699,338	5,063,974	699,338
	22,462,768	2,226,769	22,462,768	2,226,769
Cash dividends:				
IRC, Inc. ($1.15 per share)	1,824,308	-	1,824,308	-
Pooled subsidiary prior to acquisition	16,622	16,622	16,622	16,622
	1,840,930	16,622	1,840,930	16,622
Balance at end of year	$ 20,621,838	2,210,147	20,621,838	2,210,147

(a) Examined by Lybrand, Ross Bros. & Montgomery.

Schedule 4

IRC, INC. AND CONSOLIDATED SUBSIDIARY

Consolidating Statement of Source and Disposition of Funds

Year ended December 31, 1967

	Consolidated	IRC, Inc.	Holyoke Wire and Cable Corporation
Source of funds:			
Net earnings for year	$ 5,063,974	4,364,636	699,338
Depreciation and amortization	1,895,461	1,781,812	113,649
Exercise of stock options	505,053	505,053	-
Adjustment to reflect working capital change of pooled subsidiary	168,719	-	168,719
Miscellaneous	41,181	53,576	(12,395)
	7,674,388	6,705,077	969,311
Disposition of funds:			
Additions to plant and equipment	4,036,767	3,777,075	259,692
Dividends paid	1,840,930	1,824,308	16,622
Reduction in deferred taxes	242,000	242,000	-
	6,119,697	5,843,383	276,314
Increase in working capital	$ 1,554,691	861,694	692,997

VIA CERTIFIED MAIL

BARRY R. SPIEGEL
SECRETARY

January 29,1968

E. E. Ford, Esq.
Vice President and General Counsel
TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

R. J. Leaver, Esq.
TRW Electronics
Suite 835
1100 Glendon Avenue
Los Angeles, Calif. 90024

L. B. Trevor, Esq.
Jones, Day, Cockley & Reavis
1750 Union Commerce Bldg.
Cleveland, Ohio 44115

Gentlemen:

Enclosed, pursuant to Article XI (g) of the Agreement of Merger dated November 28, 1967, between TRW Inc. and IRC, Inc. are two signed copies of the Audit Report of Messrs. Peat, Marwick, Mitchell & Co., containing a consolidated and consolidating balance sheet of IRC, Inc. and Holyoke Wire and Cable Corporation as at December 31, 1967, and the related consolidated and consolidating statements of the results of operations for the fiscal year then ended, and of the

TRW-MGR-0426

source and disposition of funds during such year. The Audit Report is accompanied by a Certificate of Messrs. Peat, Marwick, Mitchell & Co., as required by Article XI(g) of the Agreement of Merger.

Would you kindly acknowledge receipt of the enclosed by signing and returning the attached copy of this letter.

Very truly yours,

Barry R. Spiegel

BRSpiegel/ab
Encs.

Secretary

THIS WILL ACKNOWLEDGE RECEIPT OF THE ABOVE

_____

Date_____

cc: R. C. Bull, Esq.

SEE SEC FILE FOR

SEC File No. 1-2384 Form 8-A

APPLICATION FOR REGISTRATION

7 February 1968

SEE SEC FILE FOR

SEC File No. 1-2384 Form 8

AMENDMENT No. 1 TO

APPLICATION FOR REGISTRATION

7 February 1968

from the desk of-

J. D. WRIGHT

2-20-68

E. E. Ford

Jack Reavis thought the attached note should be somewhere in our files.

JDW

decision to go ahead with VE reached on 2/19 without consulting JDW

EEF

2/18/68

Memo re call
to Jack Rains.
He advises us
to go ahead on
DRC - close on
2/19/68

TRW-MGR-0431

IRC Bible

STATE OF CALIFORNIA } ss.

I, ROBERT H. VOLK, Commissioner of Corporations of the State of California, do hereby certify that the following is a true and correct copy of the PERMIT heretofore issued on the 19th day of February, 19 68, to TRW INC. (File No. 65149LA) as the same is now on file and of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 20th day of February, 1968.

ROBERT H. VOLK
Commissioner of Corporations

By Stanley Strassberg

STANLEY STRASSBERG
Senior Corporations Counsel

IST

TRW-MGR-0432

MP 115

Original in United-Carr Bible

93962-209 4-67 2M OSP

BEFORE THE
DEPARTMENT OF INVESTMENT
DIVISION OF CORPORATIONS
OF THE
STATE OF CALIFORNIA

In the matter of the application of

TRW INC.

for a permit authorizing the sale and issuance of securities

PERMIT

File No. 65149LA

Receipt Nos. 408909
408910

This Permit Does Not Constitute a Recommendation or Endorsement of the Securities Permitted To Be Issued, But Is Permissive Only

TRW INC.,

an Ohio corporation, is hereby authorized to sell and issue its securities as hereinbelow set forth:

1. To sell and issue an aggregate of not to exceed 14,577 shares of its Serial Preference Stock II and not to exceed 19,436 of its Common shares to shareholders of IRC, INC. resident in the State of California, or any of them, upon consummation of the provisions of the agreement of merger which is designated as Appendix I of the proxy statement of January 30, 1968 referred to in paragraph II of its application filed February 13, 1968, provided that the numbers of shares authorized herein may be automatically adjusted to reflect a proposed "two-for-one" stock split of applicant's common stock, in the event such split effected before the issuance of the Common and Preferred stock authorized to be sold and issued herein.

TRW-MGR-0433

2. To sell and issue an aggregate of not to exceed 250 shares of its Serial Preference Stock II and not to exceed 333 shares of its common stock to California resident holders of options heretofore issued pursuant to the Qualified Stock Option Plan of IRC, INC., upon exercise of said options, at and for the exercise prices determined by said Plan payable in cash, lawful money of the United States, in the form and manner described in said options, provided that the numbers of shares and the prices thereof, authorized herein, may be automatically adjusted to prevent dilution of said options whenever an event shall occur within the scope of any provision of said Plan which entitles said holders to such adjustment, but in no event shall the aggregate consideration received for such shares exceed $57,801.50.

3. To sell and issue an aggregate of not to exceed 16,310 of its Common shares to the holders of its Serial Preference Stock II authorized to be sold and issued pursuant to issuance paragraphs 1 and 2 hereof, upon exercise of conversion rights of said preference stock, provided that the number of shares authorized to be sold and issued herein may be adjusted in accordance with applicable provisions of the proposed articles of incorporation designated as Exhibit A of the proxy statement of January 30, 1968, referred to in paragraph II of its application filed February 13, 1968.

4. To sell and issue an aggregate of not to exceed 42,125 shares of its Serial Preference Stock II to shareholders of UNITED-CARR INCORPORATED resident in the State of California, or any of them, upon consummation of the provisions of the agreement of merger which is designated as Appendiz I of the proxy statement of January 18, 1968, referred to in paragraph II of its application filed February 13, 1968, provided that the number of shares authorized herein may be automatically adjusted to reflect a proposed "two-for-one" stock split of applicant's Common stock, in the event such split is effected before the issuance of the preference stock authorized to be sold and issued herein.

TRW-MGR-0434

5. To sell and issue an aggregate of not to exceed 5,000 shares of its Serial Preference Stock II to California resident holders of options heretofore issued pursuant to the UNITED-CARR Stock Option Plan, upon exercise of said options at and for the exercise prices determined by said plan, payable in cash, lawful money of the United States, in the form and manner described in said option plan, provided that the number of shares and the price thereof may be adjusted to prevent dilution of said options whenever an event shall occur within the scope of any provision of said plan which entitles said holders of such adjustments but in no event shall the aggregate consideration received for such shares exceed $520,000.

6. To sell and issue an aggregate of not to exceed 51,837 of its Common shares to the holders of its Serial Preference Stock II authorized to be sold and issued pursuant to issuance paragraphs 4 and 5 hereof, upon exercise of conversion rights of said preference stock, provided that the number of shares authorized to be sold and issued herein may be adjusted in accordance with applicable provisions of applicant's proposed articles of incorporation designated as Exhibit A to agreement of merger which is Appendix I of the proxy statement of January 18, 1968, referred to in paragraph II of its application filed February 13, 1968.

This Permit is issued upon the following conditions:

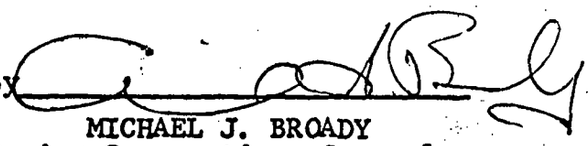
(a) That none of the shares authorized by paragraphs 1, 2, 3, 4, 5 and 6 hereof shall be sold or issued unless and until applicant shall have filed appropriate agreements of merger substantially in the form of the agreements of merger as set forth in its applications filed February 13, 1968, with such authorities as are necessary to effectuate the mergers described in said applications.

(b) That unless revoked or suspended, or renewed upon application filed on or before the dates of expiration specified in this condition, all authority to sell and issue securities under paragraphs 1 and 4 of this permit shall terminate and expire on May 20, 1968, and all such authority to sell and issue securities under paragraphs 2 and 5 of this permit shall terminate and expire on May 20, 1974. All other paragraphs and/or conditions of this permit, if any, shall remain in full force and effect until revoked, suspended or amended by order of the Commissioner.

Dated: Los Angeles, California
FEBRUARY 19 1968

ROBERT H. VOLK
Commissioner of Corporations

(SEAL)

By 

MICHAEL J. BROADY
Senior Corporations Counsel

ABR:TK

TRW-MGR-0435

File
IRC
Bible

OFFICE OF
THE CHAIRMAN

February 26, 1968

Eugene E. Ford, Esq.
Vice President & General Counsel
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Dear Gene:

Two weeks ago I mailed to you one of the executed copies of the letter agreement between TRW and IRC, covering the equalizing dividend paid by IRC. In error, it was mailed to you on the coast (which makes me wonder if Bob Leaver's copy was mailed to him in Cleveland).

I am remailing your copy to you herewith. I am sorry for the delay.

Best wishes.

Sincerely,

Ed

Edward S. Weyl

jab

Enc.

IRC, Inc. merged into and became an unincorporated division of TRW Inc., an Ohio corporation, effective February 19, 1968.

TRW-MGR-0436

IRC, INC. 401 NORTH BROAD STREET · PHILADELPHIA, PA. 19108

TRW INC.

EXECUTIVE OFFICES

February 8, 1968

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

Attn: Edward S. Weyl, Esq.
Chairman of the Board of Directors

Dear Sirs:

We refer to clause (a)(ii)(C) of Article XI of the Agreement of Merger between us dated November 28, 1967.

This is to confirm our understanding that pursuant to such clause you have on January 30, 1968 declared a dividend of 27¢ per share payable on March 1, 1968 to your stockholders of record at the close of business on February 15, 1968 and that, assuming that your merger into TRW is consummated by March 1, 1968, no further additional equalizing cash dividend will be payable under such clause. Of course, if such merger is not consummated until after March 1, 1968, the situation will need to be re-examined in the light of such clause with a view to determining what further dividend action, if any, might be appropriate thereunder.

We would appreciate it if you would confirm the foregoing by signing and dating three of the attached counterparts of this letter and returning one of them to

TRW-MGR-0437

me, one to Mr. Leaver and one to Messrs. Jones, Day, Cockley & Reavis (to the attention of Mr. Trevor).

Very truly yours,

TRW Inc.

By Eugene E. Ford
Vice President

The foregoing is agreeable to us.

IRC, Inc.

By Edward S. Wyatt
Chairman of the
Board of Directors

Dated: February 12, 1968

TRW INC.

EXECUTIVE OFFICES

February 8, 1968

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

Attn: Edward S. Weyl, Esq.
Chairman of the Board of Directors

Dear Sirs:

We refer to clause (a)(ii)(C) of Article XI of the Agreement of Merger between us dated November 28, 1967.

This is to confirm our understanding that pursuant to such clause you have on January 30, 1968 declared a dividend of 27¢ per share payable on March 1, 1968 to your stockholders of record at the close of business on February 15, 1968 and that, assuming that your merger into TRW is consummated by March 1, 1968, no further additional equalizing cash dividend will be payable under such clause. Of course, if such merger is not consummated until after March 1, 1968, the situation will need to be re-examined in the light of such clause with a view to determining what further dividend action, if any, might be appropriate thereunder.

We would appreciate it if you would confirm the foregoing by signing and dating three of the attached counterparts of this letter and returning one of them to

TRW-MGR-0439

me, one to Mr. Leaver and one to Messrs. Jones, Day, Cockley & Reavis (to the attention of Mr. Trevor).

Very truly yours,

TRW Inc.

By Eugene S. Frost
Vice President

The foregoing is agreeable to us.

IRC, Inc.

By Edward S. Wenzl
Chairman of the
Board of Directors

Dated: February 13 1968

IRC

OFFICE OF
THE CHAIRMAN

February 12, 1968

E. E. Ford, Esq.
Vice President & General Counsel
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Dear Gene,

I am enclosing a copy of your letter of February 8, 1968, covering the equalizing dividend which I have signed in behalf of IRC.

Sincerely,

Edward S. Weyl

jab

TRW-MGR-0441

TRW Electronic Supply Company
Agreement of Purchase and Sale
of Assets to Crystalate Holdings
plc on October 14, 1986, Bible
SHELVED 025-290-12(10)

AGREEMENT OF PURCHASE AND SALE

between

CRYSTALATE HOLDINGS plc

and

TRW INC., TRW ELECTRONICS SUPPLY COMPANY,

and TRW RESISTIVE PRODUCTS, INC.

Dated as of October 14, 1986

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AGREEMENT OF PURCHASE AND SALE

This **AGREEMENT OF PURCHASE AND SALE** (this "Agreement") is dated as of October 14, 1986, and is between **Crystalate Holdings plc** ("Purchaser"), a company registered in England, and **TRW Inc.** ("TRW"), an Ohio corporation, **TRW Electronics Supply Company** ("TRWESCO"), a Pennsylvania corporation, and **TRW Resistive Products Inc.** ("TRWRPI"), a Delaware corporation. TRWESCO and TRWRPI are sometimes herein individually referred to as "Subsidiary" and collectively as "Subsidiaries."

Recitals

A. Through its Resistive Products Division, TRW is engaged in the business of (i) designing, developing, manufacturing, assembling, selling and servicing resistor products generally, including thick film, flameproof, wirewound, high voltage, high frequency and printed resistors, resistive type products generally described as thick film resistive networks, thin film resistive networks, discrete leaded metal film and glaze, resistive products capable of being surface mounted, other solely resistive type hybrids, modules and substrate products (all hereinafter collectively the "Products"); and (ii) marketing, distributing and otherwise selling and servicing other non-resistive products purchased from other TRW operations and from various non-TRW sources. The foregoing shall constitute the "Business" for purposes of this Agreement.

B. As part of a major program to restructure TRW, TRW has decided to sell the Business.

C. Purchaser desires to purchase from TRW and the Subsidiaries, and TRW and the Subsidiaries desire to sell to Purchaser, the Business on and subject to the terms and conditions contained in this Agreement.

Terms and Conditions

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, and intending to be legally bound hereby, Purchaser, TRW and the Subsidiaries hereby agree as follows:

ARTICLE I

General Provisions

1.1 **Definitions:** Appendix A to this Agreement sets forth the definitions of certain terms used in this Agreement. Those terms shall have the meanings set forth on Appendix A where used herein and identified with initial capital letters.

1.2 **Other Definitions and Meanings; Interpretation:** For purposes of this Agreement, the term "parties" means (except where the context otherwise requires) Purchaser, TRW and the Subsidiaries; the term "person" includes any natural person, firm, association, partnership, corporation, or other entity other than the parties; and the words "hereof", "herein", "hereby" and other words of similar import refer to this Agreement as a whole. The Table of Contents and the headings of the Articles and Sections of this Agreement have been included herein for convenience of reference only and shall not be deemed to affect the meaning of the operative provisions of this Agreement. All dollar amounts referred to herein are in United States Dollars.

1.3 **TRW's Knowledge:** Where a statement contained in this Agreement is said to be to "TRW's knowledge" (or words of similar import) such expression means that, after having conducted a due diligence review and in reliance on due diligence certifications, both as described in Appendix B hereto, the management of TRW believes the statement to be true, accurate, and complete in all material respects.

ARTICLE II

Purchase and Sale

2.1 **Transaction:** On and subject to the terms and conditions of this Agreement, at the Closing, (a) Purchaser will purchase from TRW and the Subsidiaries, and TRW and the Subsidiaries will sell, transfer, and assign to Purchaser, or cause to be sold, transferred, and assigned to Purchaser, all of the Acquired Assets; (b) Purchaser will assume and become directly and solely responsible for the payment or discharge of all of the Assumed Liabilities; (c) Purchaser will pay to TRW the Purchase Price as herein provided; and (d) Purchaser and TRW shall be obligated to make the Adjustments as provided in Section 2.7 hereof. Notwithstanding such transaction, TRW or a Subsidiary will retain the Excluded Assets and the Excluded Liabilities.

2.2 **Acquired Assets:** For purposes hereof the term "Acquired Assets" means all assets, properties, and rights held

by TRW and the Subsidiaries as of the Closing (other than Excluded Assets) which are used in the conduct of the Business, including, all assets reflected on the balance sheet of the Business as of the Closing, but excluding the Excluded Assets. Without limiting the generality of the foregoing, the Acquired Assets will include all goodwill associated with the Business and all of TRW's and the Subsidiaries' rights, title, and interest in and to the following assets (other than Excluded Assets) which are used by TRW and the Subsidiaries in their conduct of the Business as of the Closing:

(a) All notes, accounts, and trade acceptances receivable;

(b) All prepaid and similar items, including, without limitation, all prepaid expenses, deferred charges, advance payments, and other prepaid items;

(c) All inventories, wherever located, including, without limitation, inventories of raw materials, work-in-process, spare parts, finished goods, operating supplies, containers and packaging;

(d) All real property (whether as owner, lessor, lessee, or otherwise) including, without limitation, all land, buildings, improvements, fixtures, and appurtenances thereto, and all such items under construction;

(e) All personal property owned by TRW or the Subsidiaries, including without limitation, all machinery, equipment, tooling, dies, molds, jigs, patterns, gauges, materials handling equipment, furniture, office equipment, cars, trucks, and other vehicles and, to the extent assignable by TRW or the Subsidiaries, all such personal property not owned by TRW or the Subsidiaries;

(f) To the extent assignable, all orders, contracts, and commitments for the purchase of goods and/or services, including, without limitation, all such items relating to the purchase of capital, tooling, products, supplies, and services;

(g) To the extent assignable, all orders, contracts, and commitments for the sale of the Products, including, without limitation, all such items relating to distribution, dealership, and similar arrangements;

(h) To the extent assignable, all other orders, contracts, and commitments, including, without limitation, all leases, licenses, causes of action, rights of action, and warranty and product liability claims against other persons;

(i) All Intellectual Property, including, without limitation, all patents, trademarks, tradenames, copyrights, trade secrets, technical information, manufacturing processes and techniques, designs, drawings, and other know-how, and, to the extent assignable, all licenses and technical assistance agreements;

(j) To the extent assignable, all permits, approvals, qualifications, and the like issued by any government or governmental unit, agency, board, body, or instrumentality, whether federal, state or local, and all applications therefor;

(k) Subject to the provisions of Section 7.4 hereof, all business books, records, reports and computerized data, to the extent located upon the premises of the Business, including, without limitation, all financial, operating, inventory, personnel, payroll, and customer records (including, without limitation, customer lists and sales and payment information) and all sales and promotional literature, correspondence, and files, and contracts relating to the Acquired Assets or the Assumed Liabilities; and

(l) Any and all royalty payments under the Intellectual Property listed on Part J of the Disclosure Package which are due and payable after the date of Closing.

2.3 **Excluded Assets:** For purposes hereof the term "Excluded Assets" means the following rights, properties, and assets as the same shall exist as of the Closing:

(a) All cash and cash equivalent items held by or payable to TRW and its Subsidiaries as of the Closing, including, without limitation, certificates of deposit, time deposits, marketable securities, and the proceeds of accounts receivable paid on or prior to the Closing;

(b) All rights, properties, and assets of TRW and the Subsidiaries used by TRW and the Subsidiaries primarily in a business other than the Business, including, without limitation, all assets, rights and properties of the TRW Research and Development Laboratory;

(c) All rights, properties, and assets of the Business which shall have been transferred or disposed of by TRW and the Subsidiaries prior to the Closing in transactions conducted in the ordinary course of business and not in breach of this Agreement;

(d) Subject to Section 7.3 hereof, the name and trademark "TRW" and related trademarks, corporate names, and trade names incorporating "TRW" or the stylized "TRW" logo which is used by TRW as part of any trademark or trade name;

(e) All assets held by TRW, whether in trust or otherwise, in respect of employee benefit plans pertaining to employees of the Business, including, without limitation, such plans which are retained by TRW pursuant to Article VIII hereof;

(f) All assets, whether or not used by TRW primarily in its conduct of the Business, which are identified on Annex A-6 to Part A of the Disclosure Package;

(g) All receivables from any division or subsidiary of TRW;

(h) All accruals relating to local, state or federal income taxes;

(i) Any and all shares of capital stock held by TRW and the Subsidiaries;

(j) All rights, properties, and assets of Koa TRW Inc. ("KTI"); and

(k) Any and all royalty payments under the Intellectual Property listed on Part J of the Disclosure Package which are due and payable before or on the date of Closing.

2.4 **Assumed Liabilities:** For purposes hereof the term "Assumed Liabilities" means all liabilities and obligations of TRW and the Subsidiaries other than Excluded Liabilities as of the Closing arising out of TRW's and the Subsidiaries' conduct of the Business including, without limitation, all liabilities reflected in the Closing Net Book Value as defined in 2.7(e) ("Closing Net Book Value"). Without limiting the generality of the foregoing, the Assumed Liabilities will include the following liabilities and obligations (other than Excluded Liabilities) which arise or have arisen primarily out of TRW's and the Subsidiaries' conduct of the Business at or prior to the Closing:

(a) All liabilities and obligations incurred by TRW and the Subsidiaries in its conduct of the Business in the ordinary course which are accrued on the books of the Business as of the Closing and which are due and payable after the Closing;

(b) All liabilities and obligations of TRW and the Subsidiaries under orders, contracts (including, without limitation, leases), and other commitments included in the Acquired Assets;

(c) All liabilities and obligations with respect to claims of customers of the Business (including, without

limitation, original equipment manufacturers) under engineering change orders and other similar directives not fully performed or resolved as of the Closing;

(d) All liabilities and obligations arising out of, resulting from, or relating to claims incurred which have not been resolved or settled prior to the Closing seeking replacement and/or repair of Products pursuant either to express product warranties extended by TRW and the Subsidiaries in the ordinary course of business prior to the Closing or product warranties or obligations implied or provided by law;

(e) All liabilities and obligations arising out of, resulting from, or relating to claims seeking compensation or recovery for or relating to injury to person or damage to property arising out of a defect or alleged defect of any Product shipped by Purchaser or any service rendered by Purchaser after the Closing, including, without limitation, tort liability, product liability, consequential damages, penalties, attorneys' fees, and any and all reasonable costs and expenses incurred in investigating and defending such matters;

(f) All liabilities and obligations arising out of, resulting from, or relating to any tort, breach of contract or warranty, violation of any statute, ordinance, regulation, or other governmental requirement in connection with the use, design, and ownership of the Acquired Assets by Purchaser after the Closing or the conduct of the Business by Purchaser after the Closing;

(g) All liabilities and obligations arising out of, resulting from, or relating to claims of infringement or other misappropriation of the Intellectual Property rights of other persons with respect to the manufacture, use, and sale of Products by Purchaser or conduct of the Business by Purchaser after the Closing;

(h) All liabilities and obligations arising out of, resulting from, or relating to claims of employees of the business from and after the date of Closing in connection with employee benefit plans which Purchaser establishes or maintains pursuant to Article VIII hereof; and

(i) All liabilities and obligations of TRW as the employer under the Corpus Union Contract and Philadelphia Union Contract from and after the Closing except liabilities and obligations relating to the Complemental Plan or the Philadelphia Plan;

(j) All liabilities and obligations with respect to Products returned by any and all distributors listed on Annex I-5 to Part I of the Disclosure Package;

(k) All liabilities and obligations from and after the Closing relating to employee severance or termination pay whether an employee of the Business is employed by TRW or a Subsidiary; provided, however, this provision shall not apply to any employee who has terminated his or her employment with TRW prior to the Closing.

2.5 **Excluded Liabilities:** For the purposes hereof the term "Excluded Liabilities" means the following liabilities and obligations as the same shall exist as of the Closing:

(a) All liabilities and obligations incurred by TRW and the Subsidiaries in connection with the conduct of businesses other than the Business;

(b) All liabilities and obligations of the Business which have been fully discharged or satisfied by TRW or a Subsidiary prior to the Closing in transactions in the ordinary course of business and not in breach of this Agreement;

(c) All liabilities and obligations arising out of TRW's obligations under Article VIII hereof;

(d) All liabilities and other obligations to TRW or any of its divisions or subsidiaries;

(e) Liabilities and obligations, whether or not arising primarily out of TRW's and the Subsidiaries' conduct of the Business, which are identified on Annex A-7 to Part A of the Disclosure Package;

(f) All liabilities and obligations arising out of, resulting from, or relating to claims seeking compensation or recovery for or relating to injury to person or damage to property arising out of a defect or alleged defect of a Product shipped or service rendered by TRW or a Subsidiary prior to the Closing, including, without limitation, tort liability, product liability, consequential damages, penalties, attorneys' fees, and any and all reasonable costs and expenses incurred in investigating and defending such matters;

(g) All liabilities and obligations arising out of, resulting from, or relating to any tort, breach of contract or warranty, violation of any statute, ordinance, regulation, or other governmental requirement in connection with the use, design, and ownership of the Acquired Assets

by TRW or a Subsidiary before the Closing or the conduct of the Business by TRW or a Subsidiary before the Closing;

(h) All liabilities and obligations arising out of, resulting from, or relating to claims of infringement or other misappropriation of the Intellectual Property rights of other persons with respect to the manufacture, use and sale of Products by TRW or conduct of the Business by TRW prior to the Closing;

(i) All liabilities and obligations arising out of, resulting from, or relating to taxes which are or may become due from the Business to any federal, state, or local agency in connection with the operation of the Business prior to the Closing; and

(j) All liabilities and obligations arising out of, resulting from, or relating to KTI.

2.6 **Purchase Price:** For purposes hereof, the term "Purchase Price" means Thirty Million Six Hundred Five Thousand Dollars ($30,605,000.00) plus or minus the amount of the Adjustment.

2.7 **Adjustment:** The Adjustment will be determined as follows:

(a) **Post-Closing Examination:** Promptly after the Closing, TRW will examine the annual operating performance of the Business for the ten (10) months ended October 31, 1986 and the Acquired Assets and the Assumed Liabilities as of the Closing. Purchaser shall have the right to have a representative present during such examination. Within sixty (60) days after the Closing or as soon thereafter as reasonably possible, but in no event later than ninety (90) days after the Closing, TRW will deliver to Purchaser a report based on the examination (the "Report") which shall include a year to date Profit and Loss Statement for the Business as of October 31, 1986 ("October 1986 P&L") stating the year to date Profit Before Tax of the Business as of that date ("October 1986 PBT") and shall state the aggregate book value of assets included in the Acquired Assets and the aggregate book amount of liabilities included in the Assumed Liabilities reflected on the books of TRW and the Subsidiaries as of the Closing. The Report shall be prepared in accordance with the accounting principles described in Section 2.7(c). Purchaser shall make available to TRW the records and books relating to the Business necessary for TRW to conduct said examination.

(b) **Review by Purchaser:** Following receipt of the Report, Purchaser will be afforded a period ending on thirty

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(30) days from the date of such receipt or sixty (60) days after the date of the Closing, whichever is later, to review the Report. At or before the end of that period, Purchaser will either (i) accept the Report in its entirety, in which case the October 1986 PBT and the aggregate book value of assets included in the Acquired Assets and the aggregate book amount of liabilities included in the Assumed Liabilities as of Closing will be deemed to be as set forth on the Report, or (ii) deliver to TRW written notice and a detailed written explanation of those items in the Report which Purchaser disputes, in which case the aggregate book value of the Acquired Assets and the aggregate book amount of the Assumed Liabilities as of the Closing and any entries on the October 1986 P&L not affected by the disputed items will be deemed to be as set forth on the Report. Within a further period of thirty (30) days from the end of the aforementioned review period, the parties will attempt to resolve in good faith any disputed items. Failing such resolution, the unresolved disputed items will be referred for final binding resolution to a nationally recognized firm of certified public accountants mutually acceptable to TRW and Purchaser. If the parties are unable to agree upon such an accounting firm within an additional thirty (30) day period, the disputed items shall be referred to Peat, Marwick, Mitchell & Co. for resolution. The aggregate book value of Acquired Assets and aggregate book amount of Assumed Liabilities as of the Closing affected by such unresolved disputed items (if any) and the October 1986 PBT will be deemed to be as determined by said accountants in accordance with the accounting principles described in Section 2.7(c) within thirty (30) days of such reference.

(c) **Accounting Principles:** For purposes of the Report, the aggregate book value of the Acquired Assets and the aggregate book amount of the Assumed Liabilities and the October 1986 PBT will be determined in accordance with Generally Accepted Accounting Principles ("GAAP") as consistently applied by TRW with respect to the Business as modified by the supplemental accounting practices described on Annex A-5 to Part A of the Disclosure Package. Only assets and liabilities reflected on the balance sheet of the Business in accordance with such principles will be taken into account for purposes of determining the Closing Net Book Value. In addition, for purposes of determining the Closing Net Book Value and the October 1986 PBT the assets and liabilities of the Subsidiaries shall be deemed to be Acquired Assets and Assumed Liabilities as if held directly by TRW.

(d) **Base-Line Net Book Value and June 27, 1986 Profit Before Tax:** The Base-Line Net Book Value will be an amount equal to Twenty-Two Million Seven Hundred Thirty-Two

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Thousand Dollars ($22,732,000.00) ("Base-Line Net Book Value") and the Profit Before Tax of the Business as of June 27, 1986 ("June 1986 PBT") is an amount equal to One Million Nine Hundred Sixty-Seven Thousand Dollars ($1,967,000.00).

(e) **Determination of Closing Net Book Value:** The Closing Net Book Value will be an amount equal to the aggregate book value of assets included in the Acquired Assets minus the aggregate book amount of liabilities included in the Assumed Liabilities as of the Closing, both as determined under Section 2.7(c).

(f) **Amount of Adjustment:** Pursuant to Section 2.6 and subject to the determination of the October 1986 P&L and the Closing Net Book Value, the Purchase Price shall be adjusted by the amount of the Adjustment, determined as follows:

(i) The Base Line Net Book Value shall be subtracted from the Closing Net Book Value of the Business;

(ii) The projected year-to-date October 1986 PBT (being the amount of $3,784,000.00) shall be subtracted from the October 1986 PBT of the Business;

(iii) The amount determined pursuant to Subsection (i) above, whether a positive or a negative number, shall be added to the amount determined pursuant to Subsection (ii) above, whether a positive or a negative number, and the resultant net amount, whether a positive or a negative number, shall be the amount of Adjustment for purposes of Section 2.6 hereof, and shall be paid as provided in Section 2.8(b) or 2.8(c) hereof.

2.8 **Payment of and Adjustment to Purchase Price:** Purchaser will pay the Purchase Price as follows:

(a) At the Closing, Purchaser will pay TRW Thirty Million Six Hundred Five Thousand Dollars ($30,605,000.00); and

(b) If the Adjustment is a positive amount, then Purchaser will pay TRW the amount of the Adjustment within ten (10) business days after the final determination of the Purchase Price pursuant to Section 2.7(f).

(c) If the Adjustment is a negative amount, then TRW will refund to Purchaser the amount of the Adjustment within ten (10) business days after the final determination of the Purchase Price pursuant to Section 2.7(f).

2.9 **Method of Payment:** All payments hereunder shall be made by delivery to the payee--

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(a) upon the prior request of the payee, by depositing, by bank wire transfer, the required amount (in immediately available funds) in an account of the payee designated by the payee for such purpose at least five (5) business days prior to the date of the required payment; or

(b) in all other cases, of one or more bank cashiers checks (in immediately available funds) drawn on a bank or banks acceptable to the payee and payable to the order of the payee.

ARTICLE III

Representations and Warranties

3.1 **TRW's General Representations and Warranties:** TRW hereby represents and warrants to Purchaser the following:

(a) **Organization and Existence:** TRW is a corporation duly organized, validly existing, and in good standing under the laws of the State of Ohio and TRWRPI and TRWESCO are duly organized, validly existing and in good standing under the laws of Delaware and Pennsylvania respectively.

(b) **Power, Authority and Qualification:** TRW has full corporate power and authority under its Amended Articles of Incorporation and Regulations and the laws of the State of Ohio to execute, deliver, and perform this Agreement. The Subsidiaries have full corporate power and authority under their respective constitutive documents and places of incorporation to execute, deliver and perform this Agreement. TRW is qualified to conduct business in Pennsylvania, North Carolina and Texas, TRWRPI is qualified to conduct business in Delaware and Barbados, and TRWESCO is qualified to conduct business in Pennsylvania. To TRW's knowledge, no other qualification is required to conduct business in the above-named jurisdictions.

(c) **Authorization:** The execution, delivery, and performance of this Agreement by TRW and the Subsidiaries have been duly authorized by all requisite corporate action on the part of TRW and the Subsidiaries.

(d) **Binding Effect:** This Agreement is a valid, binding, and legal obligation of TRW and the Subsidiaries.

(e) **No Default:** The execution and delivery of this Agreement and TRW's and the Subsidiaries' full performance of their obligations hereunder will not violate or breach, or otherwise constitute or give rise to a Default under, the terms or provisions of TRW's Amended Articles of

Incorporation or Regulations or any Subsidiary's constitutive documents or of any material contract, commitment, mortgage, deed of trust, lease or other obligation to which TRW or a Subsidiary is a party.

(f) **Finders:** TRW and the Subsidiaries have not engaged and are not directly or indirectly obligated to anyone acting as a broker, finder, or in any other similar capacity in connection with TRW's and the Subsidiaries' sale of the Business except Salomon Brothers Inc.

(g) **No Knowledge of Purchaser Default:** TRW has no knowledge that any of Purchaser's representations and warranties are untrue, incorrect, or incomplete or that Purchaser is in Default under any term or provision of this Agreement.

(h) **Insurance:** TRW and the Subsidiaries maintain in effect insurance covering the Acquired Assets and any liabilities relating thereto in any amount reasonably believed adequate by TRW and the Subsidiaries, and such insurance coverage shall be maintained by TRW and the Subsidiaries until the close of business on the date of Closing.

(i) **Conduct of the Business:** Except for the Excluded Assets, the Acquired Assets include all material assets and properties, whether tangible or intangible, including all Intellectual Property necessary to conduct the Business in the ordinary course as it has been conducted by TRW and the Subsidiaries prior to the date hereof and as it will be conducted by TRW and the Subsidiaries to the date of the Closing.

(j) **Representations and Warranties True and Complete:** All representations and warranties of TRW in this Agreement are true, accurate, and complete in all material respects as of the date hereof, will be true, accurate, and complete in all material respects as of the Closing (as if such representations and warranties were made anew as of the Closing, except with respect to the effect of transactions contemplated or permitted by this Agreement and with respect to the effect of the passage of time upon dated material in the Disclosure Package).

3.2 **TRW's Representations and Warranties Concerning the Disclosure Package:** TRW has delivered to Purchaser prior to the execution and delivery of this Agreement the Resistive Products Division Disclosure Package (the "Disclosure Package"), which consists of fifteen (15) Parts, consecutively lettered A-O inclusive (individually herein referred to as the appropriate "Part"). TRW hereby represents and warrants to Purchaser that

the Disclosure Package contains the information described in Appendix C hereto and listed or described on the Memorandum dated the date of this Agreement attached to Appendix C. In addition, TRW hereby represents and warrants to Purchaser the following:

(a) **Financial Statements:** Except as otherwise disclosed on Part A, the financial statements contained in Part A have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") as consistently applied by TRW with respect to the Business as modified by the supplemental accounting principles described on Annex A-5 to Part A of the Disclosure Package and fairly present the financial position and results of operation of the Business as of the dates and for the respective time periods covered thereby. The Base-Line Balance Sheet constitutes a pro forma restatement of the balance sheet of the Business giving effect to the division of assets and liabilities between TRW (including the Subsidiaries) and Purchaser as contemplated in Article II hereof and the supplemental accounting principles described on Annex A-5 to Part A. To TRW's knowledge, except as disclosed in the Disclosure Package, there are no material liabilities, contingent or otherwise, of TRW and the Subsidiaries with respect to the Business not reflected or disclosed in the financial statements and the footnotes thereto, other than Excluded Liabilities and liabilities not required to be mentioned pursuant to GAAP.

(b) **Investments:** Except the Subsidiaries and as otherwise disclosed on Part B and subject to investments arising out of the temporary investment of short term cash and of TRW employee benefit plans, TRW does not own or hold any controlling equity interest, directly or indirectly, in any corporation, partnership, joint venture, business, firm or other entity which, to TRW's knowledge, engages in any business in competition with the Business and TRW or a Subsidiary is a party to no commitment or agreement to acquire any such interest.

(c) **Receivables:** Except as otherwise disclosed on Part C, (1) TRW or a Subsidiary has Ownership of all notes receivable and accounts receivable, and trade acceptances receivable listed on Annexes C-1 and C-2 to Part C; and (2) none of such receivables are owing to the Business by any subsidiary or affiliate of TRW; and (3) to TRW's knowledge, all of such receivables are genuine, valid, good and collectible obligations owed to TRW and the Subsidiaries as a result of bona fide sales of merchandise delivered to customers in the ordinary course of business, and (4) to TRW's knowledge, there are no refunds, reimbursements, discounts or other adjustments payable by either TRW or the Subsidiaries in respect of such receivables, nor is there

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any defense, right of set-off, assignment, pledge, lien, encumbrance or other security or interest enforceable in or with respect to such receivables.

(d) **Inventories:** Except as otherwise disclosed on Part D, (1) TRW or a Subsidiary has Ownership of all inventories described on Part D; and (2) all such inventories have been restated on the Base-Line Balance Sheet using the "first in-first out" method of accounting net of reserves; and (3) are of quality currently usable and merchantable within a reasonable time in the ordinary course of the Business, without markdown or discount.

(e) **Real Estate:** Except as otherwise disclosed on Part E, (1) TRW has Ownership to all of the real properties listed as "owned" on Annex E-1 to Part E; (2) in all material respects, TRW or a Subsidiary has the right under valid and subsisting leases to occupy and control as a lessee (subject to the terms of such leases and to the possible effect of the Bankruptcy Code in the event of a lessor's bankruptcy or the effect of a condemnation or confiscation of the leased premises) all of the real property listed as "leased" on Annex E-3 to Part E; (3) to TRW's knowledge, TRW or a Subsidiary is not in Default which Default gives the lessor the right to terminate the lease or renegotiate the rental rate; and (4) to TRW's knowledge, the properties listed on Annex E-1 and Annex E-3 to Part E are in a reasonable state of repair as of the Closing; (5) no party other than TRW or the Subsidiaries is in possession of the properties listed on Annex E-3 to Part E or any portion thereof, and to TRW's knowledge, TRW's and the Subsidiaries' sole possession of said properties is undisputed; (6) to TRW's knowledge, the properties listed on Annex E-1 to Part E conform to all applicable federal, state and local laws and regulations and are zoned for the various purposes for which they are currently being used; (7) to TRW's knowledge, the properties listed on Annex E-1 to Part E, including without limitation the soil, sub-soil and groundwater, are free of "hazardous substances" (as that term is defined in the Federal Comprehensive Environmental Response Compensation Liability Act ("CERCLA"), 42 U.S.C. Section 9601(14), in any "reportable quantity" (as that term is defined in Section 9602 of CERCLA or Title 33 Section 1321 of the Federal Clean Water Act, whichever is applicable) and are free of any oil, hazardous substance or other discharge or substance in such quantities as are prohibited under the North Carolina Oil Pollution and Hazardous Substances Control Act, as codified in N.C. Gen. Stat. Sections 143-215.75 - 143-215.98 resulting from TRW's or the Subsidiaries' use or from any other cause; and (8) neither TRW nor any Subsidiary has received written notice of pending or threatened claims, eminent domain actions or

investigations and, to TRW's knowledge, no such matters are threatened against TRW or the Subsidiaries which would materially and adversely affect the properties listed on Annexes E-1 and E-3 to Part E.

(f) **Personal Property:** Except as otherwise disclosed on Part F, (1) TRW or a Subsidiary has Ownership of all tangible personal property listed as "owned" on Annex F-1 to Part F; (2) in all material respects, TRW or a Subsidiary has the right under valid and subsisting leases to possess and control as lessee all of the tangible personal property listed as "leased" on Annex F-1 to Part F (subject to the terms of such leases and to the possible effect of the Bankruptcy Code in the event of a lessor's bankruptcy or the effect of a condemnation or confiscation of the leased property); (3) to TRW's knowledge, TRW or any Subsidiary is not in Default under any such lease, which Default gives the lessor the right to terminate the lease or renegotiate the rental rate; and (4) to TRW's knowledge, the personal property listed on Annex F-1 to Part F is in a reasonable state of repair as of the Closing.

(g) **Liabilities:** Except as otherwise disclosed on Part G, neither TRW nor any Subsidiary is in Default under any note, bond, debenture, mortgage, indenture, security agreement, guaranty, or other instrument of indebtedness, which Default is likely to have a material and adverse effect on the Business.

(h) **Litigation:** Except as otherwise disclosed on Part H, (1) neither TRW nor any Subsidiary has received notice of any pending litigation, proceedings, actions, claims, or investigations at law or in equity, to TRW's knowledge, there are no such threatened matters which would, in the aggregate, have a material and adverse effect on the Business; and (2) neither TRW nor any Subsidiary is subject to a notice, writ, injunction, order, or decree of any court, agency, or other governmental authority.

(i) **Contracts:** Except as otherwise disclosed on Part I, to TRW's knowledge, (1) each of the contracts, commitments, and other obligations listed on Part I is a valid and binding obligation of TRW or a Subsidiary and the other party or parties thereto; (2) neither TRW, any Subsidiary nor any other party thereto has terminated, cancelled, or substantially modified any material contract, commitment, or other obligation of the Business; (3) neither TRW, any Subsidiary nor any other party thereto is in Default under any contract, commitment, or other obligation identified in Part I, which Default will give the other party the right to terminate or renegotiate its principal terms; and (4) all agreements, contracts, commitments and

obligations listed on Part I are assignable to Purchaser, shall be effectively assigned to Purchaser at the Closing, and none of such agreements, contracts, commitments and obligations will require Purchaser as the assignee thereof to be beneficially owned or controlled by citizens of the United Sates of America.

(j) **Intellectual Property:** Except as otherwise disclosed on Part J, (1) TRW has Ownership of the Intellectual Property listed as "owned" on Annexes J-1, J-2, J-3, and J-4 to Part J; (2) TRW has the right under valid and subsisting license, technology, or similar agreements referred to on Annex J-5 to Part J to employ the Intellectual Property listed as licensed on said Annex J-5 to Part J in its conduct of the Business subject only to the terms of any such agreements referred to in Annex J-5 to Part J; (3) to TRW's knowledge, TRW is not in Default under any such agreement referred to in Annex J-5 to Part J, which Default is likely to have a material and adverse effect on the Business or which does, or with the passage of time or notice or other act of the other party or parties thereto will give such other party or parties the right to terminate or renegotiate its principal terms; (4) except as disclosed in Annex J-6, TRW has granted no rights or interest to any person in connection with any of the Intellectual Property described in Annexes J-1, J-2, J-3, and J-4 to Part J; and (5) to TRW's knowledge, TRW and the Subsidiaries are not obligated to pay any amount, whether as a royalty, license, fee, or other payment to any person in order to use any of the Intellectual Property used by TRW and the Subsidiaries in their conduct of the Business, which obligation or payment would adversely and materially affect the Business and TRW has not received written notice alleging any such payment is due, payable or required;

(k) **Employee Benefits:** Except as otherwise disclosed on Part K, TRW has no material pension, retirement, profit-sharing, employee stock option or stock purchase, bonus, deferred compensation, incentive compensation, life insurance, health insurance, fringe benefit, or other employee benefit plan relating and applicable to the Business or its employees.

(l) **Permits and Approvals:** Except as otherwise disclosed on Part L, insofar as the Business is concerned, to TRW's knowledge, (1) TRW and the Subsidiaries are not in Default under any material permit, license, approval, or qualification listed on Annex L-1 to Part L, which Default is likely to have a material and adverse effect on the Business; (2) no other permit, license, approval, or qualification of any government or governmental unit, agency, board, body, or instrumentality, whether federal,

state, or local, is necessary, in a material and substantial sense, for the conduct of the Business as the same has been and is being conducted; and (3) none of TRW and the Subsidiaries has received any written notice from any governmental agency or authority notifying any of them of any failure to obtain or maintain in current effectiveness any permit, license, approval or qualification material to the conduct of the Business including the use and occupancy of the Acquired Assets.

(m) **Compliance with Laws:** Except as otherwise disclosed on Part M, to TRW's knowledge, TRW and the Subsidiaries are in compliance with all laws, ordinances, codes, restrictions, regulations, and other legal requirements applicable to TRW's and the Subsidiaries' conduct of the Business the noncompliance with which would be likely to have a material and adverse effect on the Business.

(n) **Payment of Taxes; Tax Liens:** Except as otherwise disclosed in Part N, (1) all tax returns required to be filed by TRW and the Subsidiaries with respect to the Business including, without limitation, returns relating to income tax withholding, social security and unemployment taxes, have been or will be filed on or before the Closing Date; (2) all taxes indicated as due and payable on such returns have been or will be paid by TRW and the Subsidiaries when required by law; (3) for all periods prior to the date of the Closing, proper and accurate amounts have been or will be withheld by TRW and the Subsidiaries from their respective employees engaged in the Business in full compliance with the tax withholding provisions of applicable laws; and (4) to TRW's knowledge, the Acquired Assets are not encumbered by any liens arising out of unpaid taxes which are due and payable.

(o) **No Material Events:** Except as otherwise disclosed in Part O, the Business has been conducted only in the ordinary and usual course since June 27, 1986, and no Material Events have occurred since June 27, 1986.

3.3 **Purchaser's Representations and Warranties:** Purchaser hereby represents and warrants to TRW the following:

(a) **Organization and Existence:** Purchaser is a corporation duly organized, registered, validly existing, and in good standing under the laws of England.

(b) **Power and Authority:** Purchaser has full corporate power and authority under its Articles of Incorporation and under the laws of England to execute, deliver, and perform this Agreement.

(c) **Authorization:** The execution, delivery, and performance of this Agreement have been duly authorized by all requisite corporate actions on the part of Purchaser.

(d) **Binding Effect:** This Agreement is a valid, binding, and legal obligation of Purchaser.

(e) **No Default:** Neither the execution and delivery of this Agreement nor Purchaser's full performance of its obligations hereunder will violate or breach, or otherwise constitute or give rise to a Default under, the terms or provisions of Purchaser's Articles of Incorporation or of any material contract, commitment, or other obligation to which Purchaser is a party.

(f) **Finders:** Purchaser has not engaged and is not directly or indirectly obligated to anyone acting as a broker, finder, or in any other similar capacity in connection with Purchaser's purchase of the Business, except for S.G. Warburg & Co. Ltd. and S.G. Warburg & Co. Inc.

(g) **No Knowledge of TRW Default:** Purchaser has no knowledge that any of the representations and warranties of TRW contained in this Agreement are untrue, incorrect, or incomplete or that TRW is in Default of any term or provision under this Agreement.

(h) **Representations and Warranties True and Complete:** All representations and warranties of Purchaser in this Agreement are true, accurate, and complete in all material respects as of the date hereof and will be true, accurate, and complete in all material respects as of the Closing (as if such representations and warranties were made anew as of the Closing except with respect to the effect of the transactions contemplated or permitted by this Agreement).

3.4 **Disclaimer:** Except as set forth in Article III of this Agreement, no party has made any further representation or warranty, either express or implied, concerning the subject matter of this Agreement and no party has relied on any such further representation or warranty. This Agreement shall not be governed by the warranties provided by Article 2 of the Uniform Commercial Code as adopted in any jurisdiction.

3.5 **Survival:** All representations, warranties and covenants made by Purchaser and TRW and the Subsidiaries in this Agreement shall survive the execution and delivery of this Agreement for an indefinite period from the Closing; provided, however, those representations, warranties and covenants set forth in Sections 3.1(i), 3.2(b), 3.2(c) and 3.2(d) shall survive only until November 30, 1987 and those representations, warranties and covenants set forth in Sections 3.1(j), 3.2(a),

3.2(e), 3.2(f), 3.2(g), 3.2(h), 3.2(i), 3.2(j), 3.2(k), 3.2(l), 3.2(m), 3.2(o) and 3.3(h) shall survive only until November 30, 1988. No party will, however, have any liability to the other arising out of a breach of any representation, warranty, or covenant contained in Article III of this Agreement, and any cause of action based thereupon shall expire and terminate, unless the party claiming that such breach occurred delivers to the allegedly breaching party written notice and a full explanation of the alleged breach on or before 5:00 p.m. of the applicable expiration date set forth in the preceding sentence. The time limitations contained in this Section 3.5 shall not apply to actions relating to the Excluded Liabilities.

ARTICLE IV

Actions Before Closing

4.1 **Access to Records:** TRW hereby covenants to Purchaser that, between the date hereof and the Closing and subject to the obligation of confidentiality imposed by Section 11.2 hereof, TRW will afford duly authorized representatives and agents of Purchaser, displaying appropriate credentials free and full access during normal business hours to all of the assets, properties, books, and records of the Business and will permit such representatives and agents to make abstracts from, or take copies of, such books, records or other documentation, or to obtain temporary possession of any thereof as may be reasonably required by Purchaser and TRW will furnish to Purchaser such information concerning the Business, and its assets, liabilities, operations or condition as Purchaser may request. TRW will permit such representatives and agents to discuss with its key employees (at reasonable times and intervals during normal business hours) and with its suppliers and customers matters relating to Purchaser's acquisition of the Business. Such access shall not unreasonably interfere with the operation of the Business.

4.2 **Interim Conduct of the Business:** TRW hereby covenants to Purchaser that, from the date hereof to the Closing, TRW and the Subsidiaries will conduct the Business only in the ordinary and usual course, in accordance with their past practices, including the timing and rate of payment of trade payables, subject to Purchaser's approval of certain transactions pursuant to Section 4.3 hereof below. Without limiting the generality of the foregoing, TRW hereby covenants to Purchaser that, insofar as the Business is concerned, TRW and the Subsidiaries will use their best efforts to:

(a) preserve substantially intact the Business' relationships with suppliers, customers, employees, creditors, and others having business dealings with the Business;

(b) maintain in full force and effect its existing policies of insurance which materially affect the Business;

(c) maintain all Intellectual Property to be included as part of the Acquired Assets in substantially the same standing as exists on the date hereof and continue the prosecution of all applications therefor to the extent practicable and consistent with the pertinent rules of practice;

(d) continue performance in the ordinary course of its obligations under contracts, commitments, or other obligations to be included as part of the Acquired Assets; and

(e) maintain the books and records of the Business in a manner consistent with past practices.

4.3 **Purchaser's Approval of Certain Transactions:** TRW hereby covenants to Purchaser that, except as may otherwise be required under this Agreement, from the date hereof to the Closing, insofar as the Business is concerned, TRW and the Subsidiaries will not do any of the following without the prior approval with written confirmation of Purchaser, which approval shall not be unreasonably withheld:

(a) incur or permit the incurrence of any debt for borrowed money or incur any obligation or other liability which would constitute an Assumed Liability, except in the ordinary course of business;

(b) purchase or dispose of any real property or real property interest to be included as part of the Acquired Assets;

(c) enter into any lease of real or personal property or any renewals thereof involving a term of more than one (1) year or rental obligation exceeding Five Thousand Dollars ($5,000.00) per annum in any single case;

(d) voluntarily permit to be incurred any Encumbrances on any of the Acquired Assets;

(e) except for normal merit or cost-of-living increases in accordance with TRW's past practices, increase the rate of compensation for any of the employees of the Business or otherwise enter into or alter any employment, consulting, or managerial services agreement primarily affecting the Business;

(f) commence, enter into, or alter any pension, retirement, profit-sharing, employee stock option or stock

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purchase, bonus, deferred compensation, incentive compensation, life insurance, health insurance, fringe benefit, or other employee benefit plan or arrangement affecting employees of the Business who are to become employees of Purchaser at the Closing (except that this covenant shall not apply to any such plan or arrangement generally applicable to all hourly or all salaried employees of TRW);

(g) make any single new commitment or increase any single previous commitment for capital expenditures in an amount exceeding Twenty Thousand Dollars ($20,000.00);

(h) accelerate or delay the shipment or sale of Products except as may be necessary in the ordinary course of business;

(i) enter into any transaction, contract or commitment outside of the ordinary course of business, waive any right of substantial value, cancel any debt or claim except in the ordinary course of business or voluntarily suffer any extraordinary loss; or

(j) sell, assign, transfer, license, or convey any of the Intellectual Property to be included as part of the Acquired Assets.

4.4 **Negotiation of Other Agreements:** TRW and the Subsidiaries hereby covenant to Purchaser, and Purchaser hereby covenants to TRW and the Subsidiaries, that between the date hereof and the Closing the parties will negotiate in good faith such other and further agreements as they may deem appropriate for the orderly transfer of the Business from TRW and the Subsidiaries to Purchaser.

4.5 **Consents to Assignment:** TRW and the Subsidiaries hereby covenant to Purchaser that, between the date hereof and the Closing TRW or a Subsidiary will use its best efforts to obtain the consents or approvals (or effective waivers thereof) of all persons whose consents or approvals are required for the assignment of TRW's or a Subsidiary's rights under contracts, leases, licenses, permits, approvals, and other similar items constituting part of the Acquired Assets. Failure of TRW to obtain, after good faith attempt, the consents or approvals described in this Section 4.5 shall not give rise to monetary damages against TRW or any Subsidiary.

4.6 **Novation of Government Contracts:** From the date hereof to the Closing, the parties will cooperate and use their best efforts to obtain, as and to the extent legally required, the novation of all government contracts and subcontracts, if any, included as part of Acquired Assets.

4.7 **Hart-Scott-Rodino Notification:** TRW hereby covenants to Purchaser, and Purchaser hereby covenants to TRW, that, prior to or immediately after the execution and delivery of this Agreement the parties will promptly proceed with the preparation and filing of the appropriate notification required under Title II of the Hart-Scott-Rodino Antitrust Improvements Act and the rules of the Federal Trade Commission thereunder. From the date hereof to the Closing the parties will cooperate in attempting to secure the expiration of the waiting period prescribed under such Act at the earliest practicable date, including, without limitation, supplying the Federal Trade Commission or the Justice Department, as the case may be, with any additional requested information as expeditiously as possible to the extent that supplying such information is lawful and proper.

4.8 **Location of Acquired Assets:** At the time of the Closing, all of the tangible Acquired Assets and all evidences of and documentation for the Intellectual Property shall be located on the premises of the Business or delivered to Purchaser at Closing, except as is otherwise disclosed in the Disclosure Package, and as may be otherwise notified to Purchaser in writing not later than ten (10) days prior to the Closing Date and accepted for transfer at such alternate location by Purchaser in writing at least five (5) days prior to the Closing Date.

4.9 **Public Announcements:** Between the date hereof and the Closing, except as required by law and as disclosed pursuant to a Class I Circular which Purchaser will distribute to its shareholders, no party hereto will make any press release or make any public announcement regarding the transactions contemplated by this Agreement without the prior written approval of both TRW and the Purchaser, which approval shall not be unreasonably withheld.

4.10 **Class I Circular:** Purchaser covenants to and shall use all best efforts to obtain the consent and approval of its shareholders to the transactions contemplated hereunder pursuant to a circular describing the transactions contemplated hereunder which shall be distributed to the shareholders.

4.11 **Underwriting Commitment:** Simultaneously with the execution and delivery of this Agreement, Purchaser covenants to and shall enter into a firm underwriting agreement with S.G. Warburg & Co. Ltd. and Robert Fleming & Co. Limited, providing for the raising of the financing necessary to consummate the transactions contemplated hereunder.

4.12 **Insurance Proceeds:** In the event of any loss or damage to any of the Acquired Assets to the extent insured by TRW and the Subsidiaries pursuant to Section 3.1(h) hereof, Purchaser shall be entitled to receive the proceeds or benefits from such insurance in effect at the time of such loss or damage. TRW and

the Subsidiaries shall pay or assign the proceeds to Purchaser at Closing or as soon thereafter as TRW and the Subsidiaries shall have received such proceeds.

ARTICLE V

Conditions

5.1 **Conditions to Purchaser's Obligations:** The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or before the Closing:

(a) The representations and warranties of TRW contained in this Agreement shall be true, accurate, and complete in all material respects as of the date hereof and as of the Closing (as if such representations and warranties had been made anew as of the Closing, except with respect to the effect of transactions contemplated or permitted by this Agreement and with respect to the effect of the passage of time upon dated material in the Disclosure Package);

(b) TRW and the Subsidiaries shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be performed or satisfied by TRW and the Subsidiaries, and TRW shall have delivered to Purchaser all documents, certificates, and instruments required to be delivered by TRW under the terms of this Agreement, including, without limitation, the documents referred to on Appendix D hereto;

(c) All corporate and other proceedings or actions to be taken by TRW and the Subsidiaries in connection with the transactions contemplated by this Agreement, and all documents incidental thereto, shall be satisfactory in form and substance to Purchaser;

(d) All requisite governmental approvals and authorizations necessary for consummation of the transactions contemplated hereby shall have been duly issued or granted and the waiting period prescribed by Title II of the Hart-Scott-Rodino Antitrust Improvements Act and the rules of the Federal Trade Commission thereunder shall have expired; and

(e) There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation of any of the transactions herein contemplated and no legal action or governmental investigation which might reasonably be expected to result in any such injunction or order shall be pending.

(f) There shall have been no material adverse change in the Business or Acquired Assets; no material portion of the Acquired Assets shall have been destroyed, damaged or rendered incapable of delivery to Purchaser at and as part of the Closing; and, from the date of this Agreement through the date of the Closing, the Business shall have been conducted consistent with past practices.

(g) Purchaser shall have obtained the consent and approval of its shareholders for consummation of the transactions contemplated hereby.

(h) As of the Closing, except as disclosed in the Disclosure Package, there shall be no litigation or governmental investigations pending against or affecting the Acquired Assets or the Business which would have a material and adverse effect on the Business.

(i) To extent required by the lease to be assigned, TRW shall have obtained from the lessor consent to assign to Purchaser the lease relating to the Business' facility in Corpus Christi, Texas and the lease relating to the Business' facility in Philadelphia, Pennsylvania.

(j) The conditions to the obligations of S.G. Warburg & Co. Ltd. and Robert Fleming Limited set forth in Clause 2 of the Placing Agreement, dated as of the date hereof, a copy of which has been furnished to TRW, have been satisfied.

5.2 **Conditions to TRW's Obligations:** The obligation of TRW to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or before the Closing:

(a) The representations and warranties of Purchaser contained in this Agreement shall be true, accurate, and complete in all material respects as of the date hereof and as of the Closing (as if such representations and warranties have been made anew as of the Closing, except with respect to the effect of transactions contemplated or permitted by this Agreement);

(b) Purchaser shall have performed and complied with all agreements and conditions required by this Agreement to be performed or satisfied by Purchaser, and Purchaser shall have delivered all documents, certificates, and instruments required to be delivered by Purchaser under the terms of this Agreement, including, without limitation, the documents referred to on Appendix E hereto;

(c) Purchaser shall have taken all corporate and other proceedings to be taken by it in connection with the transactions contemplated by this Agreement;

(d) All requisite governmental approvals and authorizations necessary for consummation of the transactions contemplated hereby shall have been duly issued or granted and the waiting period prescribed by Title II of the Hart-Scott-Rodino Antitrust Improvements Act and the rules of the Federal Trade Commission thereunder shall have expired; and

(e) There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation of any of the transactions herein contemplated and no legal action or governmental investigation which might reasonably be expected to result in any such injunction or order shall be pending.

(f) Purchaser shall have obtained the consent and approval of its shareholders for consummation of the transactions contemplated hereby.

ARTICLE VI

Closing

6.1 **The Closing:** For purposes hereof, the term "Closing" means the time at which the transactions contemplated hereby will be consummated after satisfaction or waiver of the conditions set forth in Article V of this Agreement. The risk of any loss or damage, or impairment, confiscation or condemnation, of the Acquired Assets or any part thereof shall be on TRW and the Subsidiaries at all times prior to the consummation of the Closing. Upon consummation of the Closing, the purchase and sale of the Acquired Assets shall be immediately effective for all purposes as of that time and date, and the operation of the Business using the Acquired Assets shall thereafter be solely for the benefit and account of Purchaser.

6.2 **Time, Date, and Place of Closing:** The Closing will occur at 10:00 a.m. (Pacific Time) on November 12, 1986, at the offices of TRW at One Space Park, Redondo Beach, California, or at such other time, date, and place as the parties may agree in writing. The parties further agree that if approval of the transactions contemplated hereunder under the Hart-Scott-Rodino Antitrust Improvements Act has not been obtained by November 12, 1986, the Closing will occur as soon as practicable following such approval, but in no event later than December 12, 1986.

6.3 **Purchaser's Obligations:** At the Closing, Purchaser will deliver to TRW the following in a form and in substance satisfactory to TRW, exercising reasonable business judgment:

(a) the documents, certificates, and other items referred to in Section 5.2(b) hereof;

(b) the amount specified in Section 2.8(a) hereof; and

(c) an executed and notarized instrument satisfactory in form and substance to TRW pursuant to which Purchaser assumes the Assumed Liabilities as of the Closing.

6.4 **TRW's Obligations:** At the Closing, TRW or the appropriate Subsidiary will deliver to Purchaser the following in a form and in substance satisfactory to Purchaser, exercising reasonable business judgment:

(a) the documents, certificates, and other items referred to in Section 5.1(b) hereof;

(b) Ownership to the Acquired Assets as herein contemplated; and

(c) executed and notarized deeds, bills of sale, endorsements, assignments and such other instruments pursuant to which TRW conveys the Acquired Assets to Purchaser.

6.5 **Real Estate Conveyance:** TRW's conveyance of real estate included as part of the Acquired Assets will be carried out as follows:

(a) **Title Insurance Commitment:** Not later than ten (10) days after the date of this Agreement, TRW shall cause Lawyer's Title Company to prepare and deliver to Purchaser a current preliminary title for each parcel of real property listed on Annex E-1 to Part E of the Disclosure Package, together with copies of all documents of record identified as exceptions, and current surveys pertaining to each such parcel of real property which shall serve as a basis for the policies of title insurance to be issued in favor of Purchaser as of the Closing. On or before ten (10) days after receipt of each of the preliminary title reports, underlying documents and surveys in question, Purchaser shall give TRW written notice if it disapproves any of the same and if TRW does not cure all such matters disapproved by Purchaser prior to or at the Closing, Purchaser shall have the right not to consummate the Closing which shall be Purchaser's sole remedy for in breach by TRW of its obligations under this Section 6.5(a). Not later than three (3) days prior to the Closing, TRW will obtain a commitment

from Lawyer's Title Insurance Company, with a copy to Purchaser, that the Title Company will issue to Purchaser at the Closing an Owner's Policy of Title Insurance in an amount equal to or in excess of the fair market value of each property listed on Annex E-1 to Part E of the Disclosure Package and in form and substance satisfactory to Purchaser insuring fee simple title to such real estate to be in Purchaser subject only to applicable zoning and building laws and regulations, the lien of real estate taxes and assessments not yet due and payable and such other Encumbrances as are consented to by Purchaser (the "Exceptions") and the standard reservations of the Title Company.

(b) **Warranty Deeds:** No later than seven (7) days before the Closing Date, TRW will execute and deliver to the Title Company for safekeeping general or corporate warranty deeds conveying and warranting title to such real estate to Purchaser, subject only to the Exceptions, together with such affidavits, certificates, and other instruments as are ordinarily delivered to a purchaser of real estate or filed in the public records of the community where such real estate is located.

(c) **Instructions:** At the time TRW delivers such warranty deeds to the Title Company, TRW and Purchaser will deliver to Title Company a joint letter instructing Title Company to hold such warranty deeds until the Closing and, at the Closing,

(i) if Title Company is then prepared to issue to Purchaser the Title Company's Owners Policy of Title Insurance in the form set forth in the commitment described in Section 6.5(a), and upon joint telephonic instructions from TRW and Purchaser, to file the warranty deeds for record in appropriate public records, or (ii) otherwise, to return such warranty deeds to TRW.

(d) **Confirmation:** If Title Company is instructed to file the warranty deeds for record, then the Closing will be deemed to have occurred as of the close of business of the date (the "Closing Date") when such filings have been confirmed by Title Company and all deliveries made at the Closing will be deemed to have been made simultaneously therewith.

6.6 **Transfer of Intellectual Property:** At the time of Closing TRW will assign and transfer to Crystalate, to the extent assignable, Intellectual Property (whether an owner, inventor, employer of an inventor, licensor, licensee or otherwise), including, without limitation, (i) patents and patent

applications (including all renewals, extensions, or modifications thereof); (ii) trade secrets including, without limitation, know-how, inventions, computerized data and information, computer programs, business records, files and data, formulae, production outlines, product designs, manufacturing information, processes and techniques, testing and quality control processes and techniques, drawings and customer lists; (iii) registered and unregistered trademarks, service marks, and applications therefor and all associated goodwill; (iv) copyrights; (v) trade names and all associated goodwill; and (vi) other intellectual property. TRW's conveyance of the Intellectual Property shall be carried out by the delivery to Purchaser of (i) executed and notarized assignments (in form for recordation in the United States Patent and Trademark Office and elsewhere as appropriate) of all registered trade names and trademarks, and applications for such registrations, and of all patents and patent applications; and (ii) quit claims to Purchaser of all other trade names and trademarks.

ARTICLE VII

Actions After Closing

7.1 **Further Conveyances:** After the Closing, TRW and the Subsidiaries will, without further cost or expense to Purchaser, execute and deliver to Purchaser (or cause to be executed and delivered to Purchaser), such additional instruments of conveyance, and TRW and the Subsidiaries shall take such other and further actions as Purchaser may reasonably request and which are ordinarily provided by a seller, more completely to sell, transfer, and assign to Purchaser and vest in Purchaser Ownership to the Acquired Assets. Such further instruments of assignment; conveyance or transfer or other documents of further assurance covering the Acquired Assets and the Business as Purchaser may reasonably require to assure the full and effective assignment and transfer to it of the Acquired Assets and the Business and all right, title and interest of TRW and the Subsidiaries therein.

7.2 **Further Consents to Assignment:** As and to the extent TRW or a Subsidiary shall have failed to obtain prior to Closing the consent or approval (or an effective waiver thereof) of any person or persons in respect of any item described in Section 4.5 hereof or the parties shall have failed to obtain the novation of any government contract or subcontract as provided in Section 4.6 hereof, after the Closing--

(a) the parties will use best efforts to obtain from such person or persons the consents, approvals, or novations (or effective waivers thereof); and

(b) if the parties are unable to obtain any such consent, approval, novation, or waiver, then (1) this Agreement shall not constitute or be deemed to be a contract to assign the same if an attempted assignment without such consent, approval, novation, or waiver would constitute a breach of such item or create in the issuer or any party thereto the right or power to cancel or terminate such item and (2) TRW or a Subsidiary will cooperate with Purchaser in any reasonable arrangement, including subcontracting, designed to provide Purchaser with the benefit of TRW's rights under such item, including enforcement (at Purchaser's expense) of any and all rights of TRW against such person as Purchaser may reasonably request.

In use of all reasonable efforts under subsection (b) above, TRW will not be obligated to pay any additional consideration in order to obtain any consent, approval, novation, or waiver. TRW will cooperate with Purchaser in obtaining a reasonable and economic solution with such person provided that Purchaser pays or reimburses TRW or a Subsidiary for all amounts necessary in order to obtain such consent, approval, novation, or waiver.

7.3 **Use of TRW Trademarks** The trademark or tradename "TRW" is affixed to certain of the Acquired Assets. TRW consents to the sale by Purchaser of Acquired Assets presently bearing or produced using Acquired Assets presently bearing such trademark or tradename only as a finished, or part of a finished product, and then only on the condition that Purchaser shall affix to each such finished product or shipping container or part thereof delivered to the ultimate user an appropriate tag or other reasonable means of notification indicating that such product has been sold and put into commerce by Purchaser. For a period of six (6) months after the Closing, Purchaser shall have the right to disclose in circulars to customers, advertisements and correspondence that the business sold hereunder was formerly the TRW Resistive Products Division. Except as expressly permitted by this Section 7.3, Purchaser is not authorized to use the name "TRW" in any way for advertising or promotional purposes and any such use is strictly prohibited. In addition, to the extent that the "TRW" trademark or tradename is made part of any of the Acquired Assets other than referred to above, Purchaser agrees that all such trademarks or tradenames will be completely removed or eliminated from such Acquired Assets by Purchaser, at its sole expense, before they are used by or on behalf of Purchaser. Purchaser acknowledges that it has no right, title or interest in or to the "TRW" name, mark, or any combination thereof ("TRW Trademarks") and except as provided in this Section 7.3, will have no right to use or display the TRW Trademarks. Purchaser will remove the TRW Trademarks from any and all exterior and interior signs at the operations of the Business. Purchaser will defend, indemnify, save and hold TRW harmless from and against

any and all claims, suits, proceedings and liabilities arising out of or relating to Purchaser's use of the TRW Trademarks.

7.4 **Access to Former Business Records:** For a period of ten (10) years following the Closing, Purchaser will retain all business records constituting part of the Acquired Assets. During such period, Purchaser will afford duly authorized representatives of TRW displaying appropriate credentials free and full access to all of such records and will permit such representatives to make abstracts from, or to take reasonable quantities of copies of any of such records, or to obtain temporary possession of any thereof as may be reasonably required by TRW.

7.5 **Year-End Financial Reports:** As soon as practical after the Closing, at no expense to TRW, Purchaser shall assist TRW in preparing all 1986 year-end financial reports of the Business required by TRW policy; provided, however, if Purchaser is required to provide more than two hundred (200) hours of such assistance, thereafter TRW shall reimburse Purchaser for the reasonable value of such assistance.

7.6 **Removal of Excluded Assets:** Except as otherwise provided by this Agreement, including, without limitation, Section 7.3, within thirty (30) days following the Closing, TRW and the Subsidiaries, through their duly authorized agents and representatives, shall remove from the premises of the Business, any and all Excluded Assets which remain on the premises of the Business following the Closing. TRW and the Subsidiaries shall effect such removal only upon reasonable advance notice to Purchaser and, unless otherwise consented to by Purchaser in writing, only during Purchaser's normal business hours.

7.7 **Patent Immunity:** TRW hereby grants Purchaser an immunity from suit and all other adversarial proceedings worldwide under any TRW Patent Rights which are not the subject of the Acquired Assets and which may be infringed by Purchaser using the Intellectual Property in conducting the Business. The immunity granted herein to Purchaser does not and shall not be construed to be or to create any license, express or implied, under any existing or future TRW-owned patents, patent applications, trade secrets, know-how and/or proprietary information, or options therein.

7.8 **Covenant Not to Compete:** TRW and the Subsidiaries acknowledge and agree that the value to Purchaser of the transactions provided for herein would be substantially diminished if TRW and the Subsidiaries (or their successors or assigns) were to enter into business activities competitive with those sold to Purchaser hereunder for a reasonable period following the date of the Closing. Consequently, as an inducement to Purchaser to enter into this Agreement, and in

consideration of the promises and representations of Purchaser under this Agreement, TRW covenants and agrees that for a period of three (3) years following the date of the Closing it will not directly or indirectly own, manage, operate or control any business which manufactures or sells products which are directly competitive with the Business as such business exists as of the Closing; provided, however, the foregoing shall not be interpreted as precluding TRW from (1) continuing in any line of business currently conducted by divisions (other than the Resistive Products Divisions) or subsidiaries of TRW, (2) manufacturing products for purposes of incorporating them into other products manufactured or assembled by TRW, and continuing the design, manufacture, distribution and sale of hybrid devices, and subassemblies such as, but not limited to, power supply systems and local area networks that incorporate resistive elements in the circuits produced provided all products involve solid state technology but TRW shall not manufacture, assemble or sell thick film and thin film hybrid circuits which do not include solid state technology, (3) making a passive, non-managerial equity investment in any publicly owned corporation (i.e., less than ten percent (10%) of such corporation's outstanding shares) which has activities competitive with the Business; provided, however, there shall be no limitation on TRW's right to make any passive, non-managerial investment in a publicly owned corporation if in the calendar year prior to such investment the revenue from those activities which are competitive with the Business constitute not more than fifteen percent (15%) of the total revenues of such corporation, (4) acquiring any corporation or business having activities competitive with the Business if in the calendar year prior to such acquisition the revenues from those activities competitive with the Business constitute not more than fifteen percent (15%) of the total revenues of such corporation or business, (5) permitting any distributor of Products to sell its inventory existing as of the Closing or (6) continuing to retain its equity interest in KTI together with the exercise of all rights and meeting all obligations associated therewith as the same exists as of the date of this Agreement. The restrictions contained herein of TRW's rights shall be applicable only with respect to the geographic areas (United States, Europe and Canada) in which TRW and the Subsidiaries have heretofore or are now conducting business operations relating to the Acquired Assets. If any court or tribunal of competent jurisdiction shall refuse to enforce the foregoing covenant because the time limit applicable thereto is deemed unreasonable, it is expressly understood and agreed that such covenant shall not be void but that for the purpose of such proceedings such time limitation shall be deemed to be reduced to the extent necessary to permit the enforcement of such covenant. If any court or tribunal of competent jurisdiction shall refuse to enforce the foregoing covenant because it is more extensive (whether as to geographic area, scope of business or otherwise) than is deemed to be reasonable,

it is expressly understood and agreed between the parties hereto that such covenant shall not be void but that for the purpose of such proceedings the restrictions contained therein (whether as to geographic area, scope of business or otherwise) shall be deemed to be reduced to the extent necessary to permit the enforcement of such covenant. As used in this Section 7.8, "TRW and the Subsidiaries" includes any corporation or entity controlled by TRW and the Subsidiaries, and all successors or assigns thereof.

7.9 **Payment of Excluded Liabilities:** TRW and the Subsidiaries alone shall continue to remain and be responsible for and satisfy when due all Excluded Liabilities and, without limitation, all of TRW's and the Subsidiaries' past, current and future tax and other obligations of every kind whatsoever, whether accrued, contingent or otherwise, and whether for past, current or future taxes imposed or levied on TRW and the Subsidiaries, or any deficiency, interest or penalties for which TRW and the Subsidiaries may be responsible in connection therewith, and all such liabilities shall constitute Excluded Liabilities under this Agreement.

7.10 **ATT Royalties:** TRW shall pay all royalties due and payable to ATT prior to the Closing which relate to the licenses listed on Annex E-5 to Part E of the Disclosure Package.

ARTICLE VIII

Employees and Employee Benefits

8.1 **Employment:** Effective as of the Closing, each employee of the Business (except employees listed on Annex K-7 to Part K of the Disclosure Package) will cease to be an employee of TRW and will become an employee of Purchaser as of the Closing with full credit for prior years of service with TRW for purposes of vacation benefits. No employee of the Business will be a party to an employment agreement with TRW or either Subsidiary. TRW will neither employ nor offer employment to any such employee during the twelve (12) month period following the Closing without the prior written consent of Purchaser. For a period of twelve (12) months after the Closing, Purchaser will not, without the written consent of TRW (which consent shall not be unreasonably withheld) employ or offer employment to any former employee of the Business who retired from or voluntarily terminated employment with TRW during the six (6) month period preceding the Closing and received a distribution from the Salaried Plan, the Philadelphia Plan, the Complemental Plan or the 401(k) Plan.

8.2 **Pension Plans:** It is the express intent of TRW and Purchaser that in no event shall either party or its retirement, pension or other deferred benefit plans be liable or responsible

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for the obligations of the other party or its such plans. This Agreement does not impose, nor shall it be interpreted to provide, any obligation on Purchaser to adopt any retirement or pension plans whatever. TRW currently maintains the following pension plans covering certain employees of the Business: the TRW Salaried Pension Plan (the "Salaried Plan") covering certain salaried employees of TRW, including certain salaried employees of the Business, and the TRW Complemental Retirement Income Plan (the "Complemental Plan") covering certain hourly employees of the Business, and the TRW Resistive Products/I.U.E. Retirement Plan ("Philadelphia Pension Plan") covering certain other hourly employees of the Business. (For purposes hereof, the Salaried Plan, the Complemental Plan and the Philadelphia Pension Plan are referred to collectively as the "Pension Plans.") With respect to the Pension Plans, the following shall apply:

(a) Purchaser will not become a sponsor of any of the Salaried Plan and no assets or liabilities of any such plan will be transferred to or assumed by Purchaser or any plan or trust maintained by Purchaser.

(b) Purchaser will not become a sponsor of the Complemental Plan with respect to any hourly employees of the Business covered under the Complemental Plan, and no assets or liabilities will be transferred to or assumed by the Purchaser with respect to said plan.

(c) Purchaser will not become a sponsor of the Philadelphia Pension Plan, and no assets or liabilities will be transferred to or assumed by Purchaser with respect to such plan. TRW will credit employment with Purchaser as service under the Philadelphia Pension Plan, for both vesting and benefit accrual purposes, until the expiration of the current Philadelphia Union Contract. Purchaser will reimburse TRW for the amount of the pension expense determined to be attributable to the coverage of those employees under the Philadelphia Pension Plan after the Closing, based upon the actuarial assumptions currently in effect as of the Closing under the Philadelphia Pension Plan without regard to whether such plan as of the Closing is in an over-funded or under-funded condition, and Purchaser shall have no other obligation or liability in respect of the Philadelphia Pension Plan, including any liability which results from the termination of such plan.

(d) Purchaser will not become a sponsor of the TRW Complemental Plan with respect to the hourly employees in Corpus Christi, Texas (IUE Local 1029) and no assets or liabilities will be transferred to or assumed by Purchaser for such plan. TRW will credit employment with Purchaser as service under the TRW Complemental Plan for both vesting and benefit accrual purposes until expiration of the 1986 Union

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Contract or for six (6) months after the Closing, whichever occurs first. Purchaser will reimburse TRW for the amount of the pension expense determined to be attributable to the coverage of those employees under the TRW Complemental Plan after the Closing based upon actuarial assumptions currently in use as of the Closing under the Complemental Plan without regard to whether such fund as of the Closing is in an over-funded or under-funded condition, and Purchaser shall have no other obligation or liability in respect of the Complemental Plan.

(e) Each employee of the Business who is a participant in any of the three Pension Plans mentioned above and who becomes an employee of Purchaser at the Closing will be entitled to payment of any and all vested benefits when such employee has (i) terminated employment with the Purchaser and (ii) satisfied any age and service requirements for receipt of a pension benefit.

8.3 **401(k) Plan:** TRW currently maintains The TRW Stock Savings Plan (the "401(k) Plan") for its eligible employees, including eligible employees of the Business. Purchaser will not become a sponsor of the 401(k) Plan and no assets or liabilities of the 401(k) Plan will be transferred to or assumed by Purchaser or any plan or trust maintained by Purchaser. Within sixty (60) days after the Closing, TRW will cause the 401(k) Plan to be amended (as and to the extent necessary) effective as of the Closing to provide that each employee of the Business who becomes an employee of Purchaser at the Closing will be entitled to receive amounts held in such employee's "pre-tax" accounts only when such employee's employment with Purchaser is terminated, subject only to existing generally applicable provisions of the 401(k) Plan as to withdrawal of "pre-tax" accounts.

8.4 **Medical Benefits:** TRW will provide former employees of the Business who have retired prior to the Closing with medical benefit coverage as provided under existing TRW retiree medical benefit plans. Purchaser will provide employees of the Business who become employees of Purchaser at the Closing with medical benefit coverage under medical benefit plans to be established and maintained by Purchaser.

8.5 **Life Insurance:** TRW will provide former employees of the Business who have retired prior to the Closing with life insurance coverage under existing TRW retiree life insurance benefit plans. Purchaser will provide employees of the Business who become employees of Purchaser at the Closing with comparable coverage under life insurance benefit programs maintained by Purchaser.

8.6 **Accrued Vacation:** As of the Closing, Purchaser will assume all obligations of TRW to employees of the Business who

become employees of Purchaser at the Closing for vested vacation as accrued on the books of the Business. All legally required vacation shall have been accrued on the books of the Business as of the Closing. TRW will have no obligation to make any payment to employees after the date of the Closing with respect to any vacation pay entitlement.

8.7 **Workers' Compensation:** TRW will bear the entire cost and expense of all workers' compensation claims arising out of injuries identifiably sustained by employees of the Business on or before the Closing Date. Purchaser will bear the entire cost and expense of all workers' compensation claims arising out of injuries identifiably sustained by employees of the Business after the Closing Date. TRW will bear the entire cost and expense of all workers' compensation claims arising out of injuries without an identifiable date of occurrence alleged to have arisen either before or before and after the Closing which are filed within thirty (30) days after the Closing Date. With respect to claims without an identifiable date of occurrence filed more than thirty (30) days after the Closing, TRW shall be responsible for fifty percent (50%) of the liability arising as a result of each such claim; provided, however, TRW's liability shall be limited to Four Hundred Fifty Thousand Dollars ($450,000.00) and Purchaser will bear all other costs, expenses and liability arising out of or relating to such workers' compensation claims of employees of the Business.

ARTICLE IX

Indemnification

9.1 **Indemnification of TRW and the Subsidiaries:** Purchaser will indemnify, defend, and hold TRW and the Subsidiaries harmless from and against any and all liabilities, damages, losses, claims, costs, and expenses (including attorneys' fees) arising out of or resulting from any misrepresentation or breach of warranty by Purchaser for which notice is given by TRW within the period specified in Section 3.5 hereof, Purchaser's failure to pay or satisfy or cause to be paid or satisfied any of the Assumed Liabilities when due and payable, or nonperformance of any obligations or covenants to be performed on the part of Purchaser under this Agreement.

9.2 **Indemnification of Purchaser:** Subject to Section 9.4 hereof, TRW will indemnify, defend, and hold Purchaser harmless from and against any and all liabilities, damages, losses, claims, costs, and expenses (including attorneys' fees) arising out of or resulting from any misrepresentation or breach of warranty or covenant by TRW or a Subsidiary for which notice is given by Purchaser within the period specified in Section 3.5 hereof, TRW's or a Subsidiary's failure fully to pay or satisfy

or cause to be paid or satisfied any of the Excluded Liabilities when due and payable, nonperformance of any obligation to be performed on the part of TRW or a Subsidiary under this Agreement, or any liabilities of Purchaser, other than the Assumed Liabilities which are asserted by third parties, whether pursuant to bulk sales laws or otherwise, arising from or incurred in connection with the Business or the Acquired Assets prior to the Closing or arising out of act or omission by TRW prior to the Closing.

9.3 **Claims:** In the event that either Purchaser, TRW or a Subsidiary (the "claimant") desires to make a claim against the other (the "indemnitor") under Section 9.1 or 9.2, the claimant will give prompt notice to the indemnitor of the institution of any actions, suits, or proceedings and demands at any time instituted against or made upon claimant in connection with which the claimant would claim indemnification under Section 9.1 or 9.2 and claimant will, at the time of giving such notice, if the indemnitor agrees that it would have responsibility to indemnify, give the indemnitor full authority to cure, defend, adjust, compromise, or settle the action, suit, proceeding, or demand concerning which such notice shall have been given, in the name of the claimant or otherwise as the indemnitor shall elect.

9.4 **Limitation on Indemnification:** Notwithstanding the provisions of Section 9.2, TRW will not be obligated to indemnify, defend, or hold Purchaser harmless from or against any liability, damage, loss, claim, cost, or expense (including attorneys' fees) unless and to the extent (a) a given claim exceeds one tenth of one percent (0.1%) of the amount stated in Section 2.6 or (b) the aggregate of all such liabilities, damages, losses, claims, costs or expenses exceeds one percent (1.0%) of the amount stated in Section 2.6 in which case TRW will be liable for all such amounts. In no event will TRW's total obligation to Purchaser under Section 9.2 hereof exceed, in the aggregate, twenty percent (20%) of the amount stated in Section 2.6, provided, however, that such limitation shall not apply to Excluded Liabilities, as to which there shall be no limitation.

ARTICLE X

Amendment, Waiver, and Termination

10.1 **Amendment:** This Agreement may be amended at any time prior to the Closing but only by written instrument executed by the parties hereto.

10.2 **Waiver:** Any party may at any time waive compliance by the other with any covenants or conditions contained in this Agreement but only by written instrument executed by the party waiving such compliance. No such waiver, however, shall be

deemed to constitute the waiver of any such covenant or condition in any other circumstance or the waiver of any other covenant or condition.

10.3 **Termination:** This Agreement may be terminated at any time prior to the Closing, but only by written instrument signed by the parties. This Agreement shall terminate automatically, and without further action by the parties hereto, in the event the Closing shall not have occurred by December 12, 1986, unless otherwise extended by the parties in writing.

ARTICLE XI

Miscellaneous

11.1 **Cooperation:** Purchaser and TRW will cooperate with the other party, at the other party's request and expense, in furnishing information, testimony, and other assistance in connection with any actions, proceedings, arrangements, and disputes with other persons or governmental inquiries or investigations involving TRW's conduct of the Business or the transactions contemplated hereby.

11.2 **Confidentiality:** Reference is made to the Confidentiality Agreement (the "Confidentiality Agreement") dated April 14, 1986 between Purchaser and TRW. Both parties will continue to abide by the terms and conditions of the Confidentiality Agreement through the Closing. After the Closing, TRW and the Subsidiaries will hold the Proprietary Information (as defined in the Confidentiality Agreement) in strictest confidence and will use neither the Proprietary Information nor other information concerning the Business TRW and the Subsidiaries may retain after the Closing for any purpose which might be competitively disadvantageous to Purchaser or the Business. After the Closing, both TRW and Purchaser will have the right jointly or severally to enforce any other confidentiality agreements into which TRW may have entered with other prospective purchasers of the Business.

11.3 **Severability:** In the event any provision of this Agreement shall finally be determined to be unlawful, such provision shall be deemed to be severed from this Agreement and every other provision of this Agreement shall remain in full force and effect.

11.4 **Expenses:** Except as otherwise provided in this Section 11.4 and Section 11.5, each party will bear its own expenses incurred in connection with this Agreement and the transactions contemplated hereby, whether or not such transactions shall be consummated. Purchaser and TRW shall share equally the payment of the Title Company's fee or premium in respect of the Owner's

Policy of Title Insurance described in Section 6.5. Purchaser shall be solely responsible for payment of any fees of S.G Warburg & Co. Ltd., S.G. Warburg & Co. Inc. or Robert Fleming Limited resulting from or arising out of the transactions contemplated hereby. TRW will be solely responsible for the payment of any fees of Salomon Brothers Inc. resulting from or arising out of the transactions contemplated hereby. If Purchaser fails to prevail in regard to at least twenty-five percent (25%) of the amount it claims as a decrease in the Closing Net Book Value pursuant to Section 2.7(c) due to items it disputes on the Report, Purchaser shall pay all of the fees charged by the firm of certified public accountants referred to in Section 2.7(b) hereof; if Purchaser prevails in regard to more than twenty-five percent (25%), but less than seventy-five percent (75%), of such items, TRW and Purchaser shall each pay one-half (50%) of such fees; if Purchaser prevails in regard to seventy-five percent (75%) or more of such items, TRW shall pay all of such fees.

11.5 **Transfer Taxes:** Purchaser will bear any transfer or use taxes, if any, which may result from the transfer of the Acquired Assets from TRW and the Subsidiaries to Purchaser; provided, however, TRW and Purchaser shall equally share the costs of any revenue stamps required by law to transfer any real property which is part of the Acquired Assets.

11.6 **Bulk Sales:** Purchaser waives compliance by TRW and the Subsidiaries with the provisions of any so-called bulk sales law of any state.

11.7 **Notices:** All notices, requests and other communications hereunder shall be in writing and shall be deemed to have been duly given at the time of receipt if delivered by hand or communicated by electronic transmission, or, if mailed, three (3) days after mailing registered or certified mail, return receipt requested, with postage prepaid:

If to Purchaser, to:

Crystalate Holdings plc
Wharf House
Medway Wharf Road
Tonbridge, Kent, England TN9 IRE
Telex: 957294 CRYSTA G

Attention: Company Secretary

With a copy to:

Lawler, Felix & Hall
700 South Flower Street
Suite 3000
Los Angeles, California 90017

Attention: John St.Clair

If to TRW or a Subsidiary, to:

TRW Electronics & Defense Sector
One Space Park, E2/6000
Redondo Beach, California 90278
Telex: 674476
Attention: Vice President, Law

With a copy to:

TRW Electronic Components Group
2525 East El Segundo Boulevard
El Segundo, California 90245
Telex: 182547

Attention: Vice President and General Manager

provided, however, that if either party shall have designated a different address by notice to the other given as provided above, then to the last address so designated.

11.8 **Assignment:** This Agreement shall be binding upon and inure to the benefit of the successors of each of the parties hereto, but shall not be assignable by either party without the prior written consent of the other; provided, however, without the prior written consent of TRW, Purchaser shall have the right to assign its rights under this Agreement to any wholly owned direct or indirect subsidiary so long as Purchaser agrees in writing to guarantee the assignee's performance of its obligations under this Agreement.

11.9 **No Third Parties:** This Agreement is not intended to, and shall not, create any rights in or confer any benefits upon any person other than the parties hereto.

11.10 **Incorporation by Reference:** The Appendices to this Agreement and the Disclosure Package constitute integral parts of this Agreement and are hereby incorporated into this Agreement by this reference.

11.11 **Governing Law and Venue:** This Agreement will be governed by and construed in accordance with the internal substantive laws of the State of California, except where the substantive laws of another jurisdiction mandatorily apply. Venue shall be limited to state and federal courts located in California and the parties irrevocably submit to the jurisdiction of said courts.

11.12 **Counterparts:** More than one counterpart of this Agreement may be executed by the parties hereto, and each fully executed counterpart shall be deemed an original without production of the others.

11.13 **Complete Agreement:** This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior letters of intent, agreements, covenants, arrangements, communications, representations, or warranties, whether oral or written, by any officer, employee, or representative of any party relating thereto.

IN WITNESS WHEREOF, Crystalate Holding plc, TRW Inc., TRW Electronics Supply Company and **TRW Resistive Products, Inc.** have each caused this Agreement to be executed by their respective duly authorized officers and have caused their respective corporate seals to be hereunto affixed and attested, all as of the date first above written.

CRYSTALATE HOLDINGS plc

By _____
JOHN G HERRIN GROUP CHIEF EXECUTIVE

By _____
G. STUART G. BROWN, DIRECTOR

TRW INC.

By _____
Lester Hill, Vice President

By _____
William E. Gallas
Assistant Secretary

TRW ELECTRONICS SUPPLY COMPANY

By _____
Thomas S. Sayles, Secretary

By _____
William E. Gallas
Assistant Secretary

TRW RESISTIVE PRODUCTS, INC.

By _____
Harry I. Jacobs
Assistant Secretary

By _____
William E. Gallas
Assistant Secretary

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CERTAIN DEFINITIONS

The following terms have the meanings set forth below Agreement where used in the Agreement and identified with initial capital letters:

Acquired Assets	As defined in Section 2.2 of the Agreement.
Adjustment	As determined under Section 2.7 of the Agreement.
Agreement	As defined in the Preamble to the Agreement.
Assumed Liabilities	As defined in Section 2.4 of the Agreement.
Base-Line Balance Sheet	TRW's unaudited pro forma restated for the Business at June 27, 1986, included in Annex A-1 to Part A of the Disclosure Package.
Base-Line Net Book Value	As defined in Section 2.7(d) of the Agreement.
Business	As defined in Recital A to the Agreement.
Closing	As defined in Section 6.1 of the Agreement.
Closing Date	As defined in Section 6.5(d) of the Agreement.
Closing Net Book Value	As defined in Section 2.7(e) of the Agreement.
Corpus Union Contract	TRW Inc. and International Union of Electronic, Electrical, Technical, Salaried and Machine Workers, Local #1029.
Default	An occurrence which constitutes a breach or default under a contract, order, or other commitment, after the expiration of any grace period provided without cure.
Disclosure Package	As defined in Section 3.2 of the Agreement.

Encumbrance	Any encumbrance or lien, including, without limitation, any mortgage, judgment lien, materialman's lien, mechanic's lien, security interest, encroachment, easement, or other restriction, in each case having a material adverse effect on the thing or right so encumbered.
Exceptions	As defined in Section 6.5(a) of the Agreement.
Excluded Assets	As defined in Section 2.3 of the Agreement.
Excluded Liabilities	As defined in Section 2.5 of the Agreement.
401(k) Plan	As defined in Section 8.3 of the Agreement.
Intellectual Property	Rights consisting of, conferred by, or otherwise relating to (i) patents and patent applications (including all renewals, extensions, or modifications thereof); (ii) trade secrets, including without limitation, know-how, inventions, computerized data and information, computer programs, business records, files and data, discoveries, formulae, production outlines, product designs, manufacturing information, processes and techniques, testing and quality control processes and techniques, drawings and customer lists; (iii) trademarks, service marks, and applications therefor; (iv) copyrights; (v) trade names; and (vi) other intellectual property.
KTI	Koa TRW, Inc.
Material Event	Any event, condition, circumstance, or occurrence which has had a material and adverse effect on the Business or the properties, assets, liabilities (fixed or otherwise) or condition (financial or otherwise) of the Business, including, without limitation, any of the same resulting from any --

(1) act of God, flood, windstorm, earthquake, accident, fire, explosion, casualty, riot, labor strike, requisition or taking of property by governmental authority, war, embargo, or other event outside TRW's control;

(2) termination, cancellation, or substantial modification of any contract, commitment, obligation, or business relationship; or

(3) Default by TRW under any contract, commitment, or other obligation.

October 1986 PBT	As defined in Section 2.7(a) of the Agreement.
October 1986 P&L	As defined in Section 2.7(a) of the Agreement.
Ownership	Such ownership as confers upon the person having it good and marketable title to and control over the thing or right owned, free and clear of any and all Encumbrances except Permitted Encumbrances.
Pension Plans	As defined in Section 8.2 of the Agreement.
Permitted Encumbrances	Encumbrances disclosed on Part E of the Disclosure Package and the Exceptions.
Philadelphia Plan	As defined in Section 8.2 of the Agreement.
Philadelphia Union Contract	IRC Philadelphia Operations of TRW Inc. and the International Union of Electronic, Electrical, Technical, Salaried and Machine Workers, AFL-CIO, Local 105.
Products	As defined in Recital A to the Agreement.
Purchaser	As defined in the Preamble to the Agreement.
Purchase Price	As defined in Section 2.6 of the Agreement.

Report	As defined in Section 2.7(a) of the Agreement.
Salaried Plan	As defined in Section 8.2 of the Agreement.
Shared Liabilities Agreement	An agreement to be dated the Closing Date between Purchaser and TRW relating to the sharing of certain liabilities, such agreement to be in the form of Appendix G to the Agreement.
Subsidiaries	TRWESCO and TRWRPI.
Subsidiary	TRWESCO or TRWRPI.
Title Company	Any company set forth in Section 6.5(a) of the Agreement.
TRW	As defined in the Preamble to the Agreement.
TRWESCO	As defined in Section 2.2(a) of the Agreement.
TRWRPI	As defined in Section 2.2(a) of the Agreement.

DUE DILIGENCE REVIEW AND CERTIFICATIONS

Set forth below is a description of the due diligence review conducted by TRW in connection with the transactions contemplated by the Agreement:

1. The information contained in the Disclosure Package was collected and assembled by employees of the Business and other TRW employees whom TRW believed would most likely have custody of the Business records most pertinent to the respective Parts of the Disclosure Package.

2. After collection and assembly of such information, separate due diligence meetings were held with the following individuals present: The Vice President & General Manager of the appropriate Division and his functional staff heads (e.g., finance, sales and human relations, etc.).

3. At each such due diligence meeting, the entire contents of the Disclosure Package within the responsibility of the participants was reviewed and each of TRW's representations and warranties under Section 3.2 were read and discussed, all under the direction and guidance of an attorney representing TRW.

4. At the conclusion of such due diligence meeting, each participant was requested to sign a certificate in the form set forth on the following page.

Certificate

I, [Name of Individual], am the [Title of Individual] of [Name of Unit] (the "Unit") of TRW Inc. ("TRW").

On the date below, I participated in a due diligence review meeting conducted under the direction and guidance of [Name of Attorney], an attorney representing TRW. At that meeting, those portions of the Disclosure Package which relate to the Unit were reviewed and representations and warranties contained in Section 3.2 of the proposed Agreement of Purchase and Sale (the "Agreement") between TRW and [Name of Purchaser] (the "Purchaser") were read and discussed.

As a consequence of such due diligence meeting, I HEREBY CERTIFY that:

1. In my capacity described above, insofar as the Unit is concerned, I am familiar in detail with the contents of the following Parts of the Disclosure Package: [To be completed]

2. In my capacity described above, insofar as the Unit is concerned, I am also familiar generally with contents of all other Parts of the Disclosure Package.

3. I believe those portions of the Disclosure Package which relate to the Unit and those representations and warranties of TRW contained in Section 3.2 of the Agreement which relate to the Unit are true, accurate, and complete in all material respects.

I understand that TRW intends to rely on this Certificate in connection with TRW's delivery of the Disclosure Package and execution and delivery of the Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____, 1986.

_____
[Name of Individual]

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CONTENTS OF THE DISCLOSURE PACKAGE

Part A - Financial Statements

1. The unaudited pro forma restated balance sheet (the "Base-Line Balance Sheet") of the Business at June 27, 1986.

2. The unaudited pro forma restated statement of income of the Business at June 27, 1986.

3. The unaudited pro forma balance sheets of the Business at December 31, 1981, 1982, 1983, 1984 and 1985.

4. The unaudited pro forma statement of income of the Business for TRW's fiscal year ended December 31, 1981, 1982, 1983, 1984 and 1985.

5. A description of supplemental accounting principles to be used in the determination of the Closing Net Book Value and the October 1986 PBT.

6. A list of assets, whether or not used by TRW primarily in its conduct of the Business, which will be Excluded Assets.*

7. The exceptions to TRW's representations and warranties contained in Section 3.2(a).

Part B - Investments

1. Copies of the constitutive documents of TRWESCO and TRWRPI.

2. The exceptions to TRW's representations and warranties contained in Section 3.2(b).

Part C - Receivables and Other Current Assets

1. A list as of June 27, 1986, of all notes receivable in excess of $10,000 and, to TRW's knowledge, of those equal to or less than $10,000 which have arisen out of TRW's conduct of the Business, including an aging schedule for such items.

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* For purposes of the Disclosure Package, "TRW" used as a part of the phrase "TRW primarily in the conduct of the Business" or words of similar import shall include TRW Inc. and the Subsidiaries.

2. A list as of June 27, 1986, of all accounts receivable in excess of $10,000 and, to TRW's knowledge, of those equal to or less than $10,000 which have arisen out of TRW's conduct of the Business, including an aging schedule for such items.

3. The exceptions to TRW's representations and warranties contained in Section 3.2(c).

Part D - Inventories

1. A list or description as of June 27, 1986, of all categories of inventory, wherever located, used by TRW in its conduct of the Business.

2. The exceptions to TRW's representations and warranties contained in Section 3.2(d).

Part E - Real Estate

1. A list of all real properties (including, without limitation, all significant buildings and improvements thereto or thereon, and all of such items under construction) and interests therein owned by TRW and used by TRW primarily in its conduct of the Business.

2. With respect to each parcel of real property listed in Part E-1, an accurate standard survey and legal description thereof as certified by a registered surveyor.

3. A list of all real properties (including, without limitation, all significant buildings and improvements thereto or thereon, and all of such items under construction) and interests therein leased by TRW and used by TRW primarily in its conduct of the Business in the community where such parcel is located.

4. A list of all real properties of the Business (including, without limitation, all significant buildings and improvements thereto or thereon, and all of such items under construction) and interests therein leased by TRW to a person other than TRW.

5. The exceptions to TRW's representations and warranties contained in Section 3.2(e).

Part F - Personal Property

1. A list or description as of June 27, 1986, by location of all machinery and equipment (including such items under

construction) used by TRW primarily in its conduct of the Business having a book value in excess of $50,000 and, to TRW's knowledge, having a book value equal to or less than $50,000 as to items for which TRW normally maintains records in the ordinary course of business, indicating TRW's interest in each such item, and copies of any depreciation schedules relating to such items; a list or description as of June 27, 1986, location of all furniture, office equipment, and similar items used by TRW primarily in its conduct of the Business having a book value in excess of $10,000 and, to TRW's knowledge, having a book value equal to or less than $10,000 as to items for which TRW normally maintains records in the ordinary course of business, indicating TRW's interest in each such item, and copies of any depreciation schedules relating to such items; a list as of June 27, 1986, by location of all cars, trucks, and other vehicles used by TRW primarily in its conduct of the Business having a book value in excess of $10,000 and, to TRW's knowledge, having a book value equal to or less than $10,000 as to items for which TRW normally maintains records in the ordinary course of business, indicating TRW's interest in each such item, and copies of any depreciation schedules relating to such items.

2. Except as otherwise indicated on Annexes F-1 through F-3, a list, to TRW's knowledge, as of June 27, 1986, of all items of personal property used by TRW primarily in its conduct of the Business as to items for which TRW normally maintains records in the ordinary course of business, which are owned by a person other than TRW and copies of all contracts or commitments to which TRW is a party relating to such personal property.

3. The exceptions to TRW's representations and warranties contained in Section 3.2(f).

Part G - Liabilities

1. A list, to TRW's knowledge, of all liabilities and other obligations for payment of money which would have constituted Assumed Liabilities if the Closing Date had been June 27, 1986, having, as of June 27, 1986, a balance on such date of more than $100,000 and, to TRW's knowledge, having a balance equal to or less than $100,000.

2. Except the last in-first out, a list of all reserves on the books of the Business which have arisen out of TRW's conduct of the Business, each of which has a balance as of June 27, 1986, of more than $100,000 and, to TRW's knowledge, having a balance equal to or less than $100,000, and a description of the facts or circumstances out of which each such reserve was established.

3. The exceptions to TRW's representations and warranties contained in Section 3.2(g).

Part H - Litigation

1. A list as of June 27, 1986, and brief description of all litigation, proceedings, claims, or investigations at law or in equity pending or threatened against or affecting the Business having, to TRW's knowledge, a contingent liability of $100,000 or more.

2. A list as of June 27, 1986, and brief description, to TRW's knowledge, of all notices, writs, injunctions, orders, and decrees of courts, agencies, and other governmental authorities to which TRW is subject which relate to the Business.

3. To TRW's knowledge, a narrative description of all field or recall campaigns made within the past five (5) years which relate to the Business and/or the Products.

4. The exceptions to TRW's representations and warranties contained in Section 3.2(h).

Part I - Contracts

1. A list as of June 27, 1986, of each outstanding order, contract, or commitment for the purchase by TRW of capital and tooling to be used by TRW primarily in its conduct of the Business in an amount in excess of $250,000 and, to TRW's knowledge, in an amount equal to or less than $250,000 but more than $25,000.

2. A list as of June 27, 1986, of each outstanding order, contract, or commitment for the purchase by TRW of products, supplies, and services to be used by TRW primarily in its conduct of the Business in an amount in excess of $250,000 and, to TRW's knowledge, in an amount equal to or less than $250,000 but more than $50,000.

3. A list as of June 27, 1986, of each outstanding order, contract or commitment for the sale by TRW of Products or of other products or services in its conduct of the Business in an amount in excess of $250,000 and, to TRW's knowledge, in an amount equal to or less than $250,000 but more than $25,000.

4. A copy of a current published pricing list.

5. Copies of the form of all distributorship, dealership, and other similar arrangements or agreements which relate to TRW's conduct of the Business and to which TRW is a party and the names of the parties to each category of such arrangements or agreements.

6. A list of the ten (10) largest suppliers to the Business during the calendar year ended December 31, 1985, together with the dollar amount of sales to such customers during such period.

7. A list of the ten (10) largest customers of the Business during the calendar year ended December 31, 1985, together with the dollar amount of sales to such customers during such period.

8. To TRW's knowledge, a copy of each power of attorney, proxy, or similar authorization (except for routine delegations to TRW employees of day-to-day operating authority) granted by TRW which relates to the Business and which is currently in effect.

9. A list, to TRW's knowledge, of all written agreements, constituting part of the Acquired Assets and having an estimated value or obligation in excess of $100,000 which would require the consent or approval of any person for the assignment or transfer of TRW's rights thereunder to Purchaser as contemplated in the Agreement.

10. A list of assets used in the Business and with another TRW division which assets cannot be particularly and economically separated and assets used in the Business which are owned by another person and cannot be assigned.

11. A list and brief description of all retroactive price increases pending with TRW's customers for Products sold by TRW prior to the Closing.

12. A list and brief description of all joint venture, joint marketing, joint development, memorandum of understanding or similar agreements relating to the Business to which TRW is a party. A copy of each such agreement.

13. Copies of the Business' standard purchase order sales order, request for quotation, sales quotation, sales order acknowledgment and similar forms, including all fine print.

14. A list and brief description of all assembly services agreements relating to the Business to which TRW is a party. A copy of each such agreement.

15. A list of all consulting and employment agreements relating to the Business to which TRW is a party.

16. A list of all consignment agreements or similar agreements or similar agreements relating to the Business to which TRW is a party.

17. The exceptions to TRW's representations and warranties contained in Section 3.2(i).

Part J - Intellectual Property

1. A list of all patents (domestic and foreign) owned by TRW (specifying for each the country of issuance, date of expiry, patent number, inventor, and title of patent) which are used by TRW primarily in its conduct of the Business.

2. A list of all pending patent applications (domestic and foreign) owned by TRW (specifying for each the country of application, date of filing, application number, inventor, and title of invention) which are used by TRW primarily in its conduct of the Business.

3. A list of all trademarks (domestic and foreign) owned by TRW (specifying for each the country of registration, renewal date, registration number, mark registered, and goods covered) which are used by TRW primarily in its conduct of the Business.

4. A list of all trademark applications (domestic and foreign) owned by TRW (specifying for each the country of application, date of application, application number, mark to which registration relates, and goods covered) which are used by TRW primarily in its conduct of the Business.

5. A list of all Intellectual Property owned by other persons which TRW uses primarily in its conduct of the Business under license, technology, or other similar agreements.

6. A list of all licenses from TRW to other persons of Intellectual Property used by TRW primarily in its conduct of the Business.

7. The exceptions to TRW's representations and warranties contained in Section 3.2(j).

Part K - Employees and Employee Benefits

1. A list of the ten (10) highest paid employees of the Business during the calendar years ended December 31, 1984 and 1985, together with the dollar amount paid each such employee during such year.

2. A list of the ten (10) highest paid employees of the Business as of January 1, 1986, together with the base salary rate of each such employee as of that date.

3. Copies of the summary plan descriptions or other descriptions of all pension, retirement, profit-sharing, deferred compensation, employee stock option or stock purchase, bonus, incentive compensation, and other employee benefit plans or arrangements which have been maintained by TRW in respect of the Business and which relate and are applicable to current employees of the Business.

4. Copies of summary plan descriptions or other descriptions of all employee life and health insurance plans and other employee welfare plans or arrangements currently maintained by TRW in respect of the Business.

5. A copy of each collective bargaining agreement to which TRW is a party which relates primarily to the Business and which continues after the Closing.

6. A narrative description, to TRW's knowledge, of all organization campaigns or other union activities affecting a substantial number of employees of the Business which have occurred during the past three (3) years.

7. A list of employees of the Business whom TRW will not make available for employment by Purchaser at the Closing.

8. The exceptions to TRW's representations and warranties contained in Section 3.2(k).

Part L - Permits and Approvals

1. To TRW's knowledge, a list of all permits, approvals, qualifications, and the like of any government or governmental unit, agency, board, body, or instrumentality, whether federal, state, or local, issued to or applied for by TRW and used by TRW primarily in its conduct of the Business, with an indication in each case as to whether or not, to TRW's knowledge, such item is assignable to Purchaser by TRW.

2. The exceptions to TRW's representations and warranties contained in Section 3.2(l).

Part M - Compliance with Laws

1. The exceptions to TRW's representations and warranties contained in Section 3.2(m).

Part N - Payment of Taxes

1. The exceptions to TRW's representations and warranties contained in Section 3.2(n).

Part O - Material Events

1. A list of all Material Events, if any, which have occurred since June 27, 1986, which are not reflected on another Part of the Disclosure Package.

2. The exceptions to TRW's representations and warranties contained in Section 3.2(o).

DOCUMENTS TO BE DELIVERED BY TRW AT THE CLOSING

1. Certificate as to the good standing of TRW (as of the date not earlier than ten (10) days prior to the Closing) in the State of Ohio, with telegrams confirming TRW's good standing in such jurisdiction as of a date not more than ten (10) days prior to the Closing Date.

2. Resolutions or certificates evidencing the authorization of the execution, delivery, and performance of this Agreement by TRW and the Subsidiaries and the consummation of the transactions contemplated hereby, certified by the Secretary or an Assistant Secretary of TRW.

3. A certificate dated as of the Closing Date as to the incumbency and signatures of officers of TRW and the Subsidiaries.

4. A certificate dated as of the Closing Date and signed by an Executive Vice President or Vice President and the Secretary or an Assistant Secretary of TRW which (a) evidences the execution and delivery of the Agreement by TRW and the Subsidiaries and; (b) verifies the continuing accuracy of TRW's representations and warranties contained in the Agreement, both as of the date of the Agreement and as of the Closing (as if such representations and warranties had been made anew as of the Closing, except with respect to the effect of transactions contemplated or permitted by the Agreement and with respect to the effect of passage of time upon dated material in the Disclosure Package).

5. Any consent required to be delivered pursuant to Section 5.1(i) of the Agreement.

6. The due diligence certificates described in Section 1.2 of the Agreement.

DOCUMENTS TO BE DELIVERED BY PURCHASER AT THE CLOSING

1. Certificate as to the good standing of Purchaser (as of the date not earlier than ten (10) days prior to the Closing) in the State of Delaware, with a telegram confirming Purchaser's good standing in such jurisdiction as of a date not more than ten (10) days prior to the Closing Date.

2. Resolutions or certificates evidencing the authorization of the execution, delivery, and performance of this Agreement by Purchaser and the consummation of the transactions contemplated hereby, certified by the Secretary or an Assistant Secretary of Purchaser.

3. A certificate dated as of the Closing Date as to the incumbency and signatures of officers of Purchaser.

4. A certificate dated as of the Closing Date and signed by a Vice President and the Secretary or an Assistant Secretary of Purchaser which (a) evidences the authorization, execution, and delivery of the Agreement by Purchaser; and (b) verifies the continuing accuracy of representations and warranties of Purchaser contained in the Agreement both as of the date of the Agreement and as of the Closing (as if such representations and warranties had been made anew as of the Closing, except with respect to the effect of transactions contemplated or permitted by the Agreement).

TRW-MGR-0797

SCHEDULE III TO AGREEMENT OF MERGER

DATED NOVEMBER __, 1967

BY AND BETWEEN TRW INC. AND IRC, INC.

- -

SCHEDULE OF REAL PROPERTIES OWNED AND LEASED
BY IRC AND SUBSIDIARIES

INITIALLED: EJ

DATE: 11/28/67

A. REAL PROPERTY OWNED BY IRC, Inc. AND SUBSIDIARIES

Location	Approximate Acreage	Approximate Floor Area (square feet)
IRC, Inc.		
Boone, N.C.	15 acres	106,300
Wallace Avenue Downingtown, Pa.	2.5 acres	18,000
699-753 Lynnway Lynn, Mass.	4.1 acres	45,000
2801 72nd St. North St. Petersburg, Fla.	5 acres	26,100
Worcester Twp., Montgomery Co., Pa.	88 acres	Undeveloped land
Holyoke Wire and Cable Corporation		
720 Main Street	1.1 acres	50,200
S.W. Corner Water St. & Appleton St. Holyoke, Mass.	0.7 acres	63,400

B.

SCHEDULE OF REAL PROPERTY LEASED
BY IRC, INC. AND SUBSIDIARIES

BURLINGTON

1. Location - 2850 Mt. Pleasant Ave., Burlington, Iowa.
2. Use - Plant
3. Space - 85000 sq. ft., plant; total area 6.8 acres.
4. Landlord - Phila. National Bank, trustee under Pension Trust.
5. Starting Date - 2/1/61
6. Ending Date - 1/31/81
7. Rental - Annual rent: 7.34% of landlord's investment plus taxes and assessments. Sept. '67 rent was $5,764.94.
8. Other Charges - Tenant pays all taxes, assessments or other public charges levied against the property or arising due to its occupancy. Tenant provides fire insurance with extended coverage, boiler insurance, liability insurance: $250,000/$1,000,000 personal injury, $100,000 property damage. Tenant pays all water, gas, telephone and other utility services. Rent intended to be net return to the landlord.
9. Assignment - Tenant can do so provided remains primarily liable on the lease and landlord's consent is obtained if manner of use of premises is to change
10. Termination Rights - None
11. Option to Extend - Additional 10 years at 2.5% of landlord's investment, 180 day's notice.

CHICAGO

1. Location - 6018 Diversey Ave., Chicago, Illinois
2. Use - Sales Office
3. Space - Office space
4. Landlord - Anthony Millonzi, agent for collection: S. Yondorf, 110 S. Dearborn Street, Chicago, Ill.
5. Starting Date - 10/1/65
6. Ending Date - 11/30/68
7. Rental - $400 per month
8. Other Charges - None
9. Assignment - No right to sub-let without consent of the landlord.
10. Termination Rights - None
11. Option to Extend - One year and, if exercised, for an additional year, 90 days notice.

HOLYOKE

1. Location - 12-30 Crescent Street, Holyoke, Mass.
2. Use - Plant
3. Space - 5,600 sq. ft., entire fourth floor of building.
4. Landlord - Mil-Kap Realty, Inc., Holyoke, Mass.
5. Starting Date - 9/1/67
6. Ending Date - 8/31/68
7. Rental - $175 per month
8. Other Charges - None
9. Assignment - May not sublet without prior consent of landlord

HOLYOKE (cont'd)

10. Termination Rights - May not sublet without prior consent of landlord.
11. Option to Extend - None

VEGA BAJA

1. Location - Vega Baja, Puerto Rico
2. Use - Plant
3. Space - 14,145 sq. ft. plant. Total area 1.91 acres.
4. Landlord - Puerto Rico Industrial Development Co., San Juan, Puerto Rico
5. Starting Date - 6/1/53
6. Ending Date - 6/31/70
7. Rental - $885.16 per month
8. Other Charges - Public liability insurance: $25,000 one person; $50,000 one accident; fire, hurricane and earthquake insurance in reasonable amounts. Water, light and power. Tenant must keep plant in normal operation except for causes beyond its control.
9. Assignment - No rights without prior consent of landlord, not to be unreasonably withheld.
10. Termination Rights - None
11. Option to Extend - None

LOS ANGELES

1. Location - Suite 220, 14827 Ventura Blvd., Sherman Oaks, Calif.
2. Use - Sales Office
3. Space - Office space
4. Landlord - Al Wynner & Assoc., 4710 Van Nuys Blvd., Sherman Oaks, Cal.
5. Starting Date - 7/1/66
6. Ending Date - 6/30/69
7. Rental - $500 per month
8. Other Charges - None
9. Assignment - No right to sublet without consent of landlord.
10. Termination Rights - None
11. Option to Extend - None, but failure to terminate results in month-to-month lease.

NEW YORK CITY

1. Location - Bruckner Plaza, Bruckner Blvd. & White Plains Ave., Bronx, N.Y
2. Use - Sales Office
3. Space - Office space
4. Landlord - Arlen Operating Company, 60 E. 56th Street, New York City
5. Starting Date - 11/1/64
6. Ending Date - 10/26/69
7. Rental - $674.82 per month.
8. Other Charges - Tenant to have liability insurance as follows: $500,000, one person, $1,000,000 one accident, $100,000 property damage.
9. Assignment - No right to sublet without consent of landlord.
10. Termination Rights - None
11. Option to Extend - None

PHILADELPHIA

1. Location - Terminal Commerce Building, 401 North Broad Street, Phila., Pa.
2. Use - Plant & Executive Offices
3. Space - Entire 11th and part of 10, 9, 8 and 3 floors, 293,322 sq. ft.
4. Landlord - Richard B. Herman, agent, 1700 Walnut Street, Phila., Pa.
5. Starting Date - 1/1/61
6. Ending Date - 12/31/72
7. Rental - $25,583.34 per month
8. Other Charges - Principal Lease: If tenant requires heat or elevator service beyond hours of 7 a.m. - 6 p.m., Monday-Friday, extra charge to be agreed on. If real estate taxes are increased, tenant pays 26.7% of the increase. Tenant to pay $278 per month water rent.
9. Assignment - No sub-lease without prior consent of landlord.
10. Termination Rights - Tenant may release up to 100,000 sq. ft. on 6/30/69 upon 6 months prior notice.
11. Option to Extend - None, but failure to terminate results in year-to-year lease.
12. Amended by Supplemental Agreement dated September , 1964.

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1. Location - Terminal Commerce Building, 401 North Broad Street, Phila., Pa.
2. Use - Plant
3. Space - Room 650 - 33,596 sq. ft.
4. Landlord - Richard B. Herman, agent, 1700 Walnut Street, Phila., Pa.
5. Starting Date - 8/1/62
6. Ending Date - 12/31/72
7. Rental - $4,159 per month
8. Other Charges - Room 650 - Covered by principal lease
9. Assignment - Covered by principal lease
10. Termination Rights - None
11. Option to Extend - None, but failure to terminate results in year-to-year lease

WEST LYNN

1. Location - 71 Linden Street, West Lynn, Mass.
2. Use - Plant
3. Space - 24,100 sq. ft., second floor of 71 Linden St. and all of "Bldg. No. 6"
4. Landlord - Linden Sumner Realty Trust, Melvin Ross, trustee, 71 Linden Street, West Lynn, Mass.
5. Starting Date - 1/1/67
6. Ending Date - 12/31/69
7. Rental - $2,025 per month
8. Other Charges - Public liability insurance: $100,000/$300,000. Tenant pays for water, gas, electricity and other utilities. Tenant to reimburse landlord for 1/2 of expenses of removing snow and ice from property. Tenant to pay one half of any increase in real estate taxes over the 1959 level.
9. Assignment - No sublease without prior consent of landlord, not to be unreasonably withheld.
10. Termination Rights - None
11. Option to Extend - None

ST. PETERSBURG

1. Location - 3033 73rd Street North, St. Petersburg, Florida.
2. Use - Plant
3. Space - 6,000 sq. ft.
4. Landlord - Marshall & Margaret Taylor, 7828 - 10th Street South, St. Petersburg, Fla.
5. Starting Date - 10/24/66
6. Ending Date - 6/30/69
7. Rental - $570 per month
8. Other Charges - Public liability insurance: $50,000/$100,000. Duty to maintain the air conditioning system. Tenant pays for electricity, gas, telephone and water.
9. Assignment - No right to sublet without prior consent of landlord, not to be unreasonably withheld.
10. Termination Rights - None.
11. Option to Extend - For three years on six months notice and, if exercised, then for another three years also on six months notice. Lessee can request construction of not less than 2,000 sq. ft. of additional warehouse or office space during initial term. If exercised during last 2 years, must also exercise option to extend.

BOONE

1. Location - West Howard & West King Streets, Boone, North Carolina
2. Use - Two minor leases for storage space at $1200 and $360 annual rental, respectively.

BURLINGTON

1. Location - 203 North Third Street, Burlington, Iowa
2. Use - Storage
3. Space - 1,000 sq. ft., 3rd floor of building.
4. Landlord - Acres Blackmar Company, 203 N. Third St., Burlington, Iowa.
5. and
6. Three month term automatically renewing unless terminated on 90 days notice. Present term ends 11/30/67
7. Rental - $80 per month

STATE OF NORTH CAROLINA

COUNTY OF BUNCOMBE LEASE

THIS LEASE AGREEMENT, made and entered into, this the _____ day of September, 1998, by and between MILLS GAP ROAD ASSOCIATES, a North Carolina general partnership, hereinafter referred to as "Lessor", and NAPPER ENTERPRISES, INC., a Kentucky corporation, hereinafter referred to as "Lessee";

W I T N E S S E T H:

For and in consideration of the mutual covenants hereinafter contained, the Lessor and the Lessee do hereby agree as follows:

1. The Lessor hereby leases to Lessee, and the Lessee hires from the Lessor, the entire CTS Building located on Mills Gap Road in Arden, Buncombe County, North Carolina including approximately 9 acres of property fenced in upon which said building is located, which property, building, and other improvements are hereinafter referred to as the "Leased Premises."

2. (a) The term of the Lease shall be a period of twelve (12) months and shall commence on the 1st day of October, 1998, and expire on the 30th day of September, 1999, unless sooner terminated or extended pursuant to the terms and provisions of this Lease.

(b) Lessee shall have the option to extend this Lease for a one (1) year period from October 1, 1999 through September 30, 2000. To exercise its option to extend, Lessee shall give written notice of its exercise of the option to Lessor at least ninety (90) days prior to the expiration of the initial term of this Lease.

(c) During the term of this Lease and any extensions and renewals thereof, Lessee covenants and agrees to pay rent in advance to Lessor in equal monthly installments of Eleven Thousand Five Hundred and No/100 ($11,500.00) Dollars each, payable before the 15th day of each month during the term of this Lease, with the first such payment being due and payable on January 15, 1996.

3. During the term of this Lease and any extensions and renewals thereof, the Lessee shall pay all utility bills for any and all utility services used by it on the Leased Premises, including, but not limited to, electricity, gas, water, sewer and telephone utilities.

4. During the term of this Lease and any extensions or renewals thereof;

(a) The Lessee shall keep the Leased Premises insured throughout the term of this Lease, and any renewal or extensions thereof, against the claims for personal injury or property damage under a policy of general public liability insurance in an amount of not less than One Million ($1,000,000.00) Dollars covering claims arising out of bodily injury and property damage occurring on the Leased Premises and shall furnish to the Lessor a certificate of such coverage issued by an insurance company authorized to do business in North Carolina.

(b) The Lessee shall keep the improvements now or hereafter located on the Leased Premises insured against loss by fire and all other casualties which are covered by standard extended coverage endorsement (All Risk Policy) in an amount equal to at least ninety percent (90%) of the replacement value of the improvements located on the Premises. Lessor agrees to provide Lessee with information which Lessor may have in Lessor's possession in order to assist in a determination of the replacement value. The insurance required by this sub-paragraph shall be written by an insurance company of recognized financial standing which is authorized to do business in the State of North Carolina or through recognized self-insurer, to-wit: E. I. Du Pont deNemours and Company, in a form acceptable to Lessor and Lessor's mortgagor. Such insurance shall name the Lessor and the Lessor's mortgagor as insureds as their respective interests may appear.

(c) Lessee, may, at its sole option, procure fire and extended coverage insurance for its fixtures, furniture, equipment, trade fixtures and other property belonging to the Lessee now or hereafter located in or on the Leased Premises and the Lessor shall have no claim to the proceeds thereof.

(d) The Lessee shall maintain the sprinkler on the Leased Premises in an operable condition at all times unless authorized by its All Risk Property Insurer to shut off the sprinkler system for a portion of the calendar year without effect upon insurance coverage. The Lessee shall return the sprinkler system and boiler in fully operable and inspected condition at the termination of this Lease.

5. If the improvements located on the Leased Premises are damaged by fire or other casualty to the extent that the estimated cost to repair such improvements is forty percent (40%) or more of the replacement value of said improvements immediately before the damage, then either party hereto shall have the option of

terminating this Lease by giving notice in writing within thirty (30) days of the date of such damage. If the estimated cost of repairing such damage to the Premises is less than forty percent (40%) of such replacement value of the improvements located on the Leased Premises, or if neither party hereto shall terminate this Lease in accordance with the terms and provisions of this paragraph, then the rent for the Premises shall be reduced to an amount equal to the proportion of the improvements located on the Leased Premises which are usable by the Lessee until such time as the improvements located on the Leased Premises are repaired from the proceeds of the insurance specified in paragraph 4 above.

7. The Lessor covenants and agrees that, during the term of this Lease and any extensions or renewals thereof, the Lessee shall have full control and use of the Leased Premises, for general warehouse purposes, but the Lessee shall not: (a) use or allow the Leased Premises or any part thereof to be used or occupied for any unlawful purpose or in violation of any certificate of occupancy or certificate of compliance covering or affecting the use of the Leased Premises; (b) knowingly permit any act to be done or any condition to exist on the Leased Premises which may be dangerous, unless safe-guards are used as required by law; and (c) use the Leased Premises in such a manner as to constitute a public or private nuisance or in such a manner as to void or make voidable any insurance then in force under paragraph 4 above.

8. Except for the negligence of the Lessor, its agents, and independent contractors, the Lessor shall not be liable for any personal injury to the Lessee, its invitees, agents and employees, or to any occupant or guest on any part of the Leased Premises or for any damage to any property of the Lessee, its invitees, agents or employees, or of any other occupant or guest on any part of the Leased Premises, and, with the exceptions herein stated, the Lessee covenants and agrees, during the term of this Lease and any extensions or renewals thereof, to indemnify and save the Lessor harmless against and from any and all claims, damages, costs and expenses, including reasonable attorney's fees, sustained or claimed to have been sustained by any person or persons or property in, upon, or about the Leased Premises; provided, however, that this indemnity shall be null and void unless the Lessor shall give to the Lessee prompt written notice of any claim arising under such indemnity and an opportunity to defend the same.

9. The Lessee has inspected the Premises and accepts the same in its "As Is" condition. Lessee shall make no additions, alterations, improvements, partition or other installations in or upon the Leased Premises without first obtaining the written approval of Lessor, which said approval shall not be unreasonably withheld.

10. Except as otherwise provided in this Lease, the Lessee shall maintain and keep the Leased Premises in the same condition

as they were at the commencement of the term of this Lease, ordinary wear and tear and damage by fire or other casualty covered by the insurance referred to in paragraph 2 above, excepted. The Lessee shall maintain the grounds, parking areas and paved areas of the Leased Premises in a good and orderly manner.

11. During the term of this Lease and any extensions and renewals thereof, the Lessor shall pay all ad valorem taxes and assessments which may be properly levied or assessed against the Leased Premises and any improvements which were located thereon at the time of the commencement of the term of this Lease. During the term of this Lease and any extensions and renewals thereof, the Lessee shall pay all ad valorem taxes properly assessed against its property and any improvements made to the Leased Premises by the Lessee.

12. Any holding over after the expiration of the term of this Lease, with the consent of the Lessor, shall be construed to be a tenancy from month to month at a monthly rental of Eleven Thousand Five Hundred Dollars ($11,500.00) per month and shall otherwise be on the terms and conditions herein specified. To terminate its holdover tenancy, Lessee shall give Lessor three (3) months' written notice of its intent to terminate. Likewise, to terminate the hold-over tenancy, Lessor shall give Lessee three (3) months' written notice of its intent to terminate.

13. Each of the following events shall constitute a default or breach of this Lease by Lessee:

(a) If Lessee, or any successor or assignee of Lessee while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors.

(b) If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee, or if a receiver or trustee shall be appointed for all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within thirty (30) days after the institution or appointment;

(c) If Lessee shall fail and neglect to pay, when due, any rent or other charges due under this Lease within ten (10) days after the receipt of written notice from the Lessor calling attention to the default in the payment thereof;

(d) If Lessee shall fail to perform or comply with any of the conditions of this Lease and if the nonperformance shall continue for a period of twenty (20) days after notice thereof

by Lessor to Lessee, or, if the performance cannot be reasonably had within the twenty-day period, Lessee shall not in good faith have commenced performance within the twenty-day period and shall not diligently proceed to completion of performance; or

(e) If Lessee shall vacate or abandon the demised premises.

14. In the event of any default hereunder, as set forth in Paragraph 13, the Lessor shall have all rights available under North Carolina law.

15. Whenever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given in writing by registered or certified mail, postage prepaid, to the respective addresses as hereinafter set forth. All notices or demands provided under the terms of this Lease shall be effective when actually received by either party or when attempted to be delivered as authorized above.

(a) If intended for the Lessor, to it at:
Mills Gap Road Associates
c/o Stan H. Greenberg
75 North Market Street
Asheville, NC 28801

(b) And, if intended for the Lessee, to it at:
Napper Enterprises, Inc.
25 N. Highland
Winchester, Ky 40391

The addresses of either party may be changed, from time to time, by either party serving notice as above provided. It is understood and agreed by both parties to this Lease that time is of the essence in all matters appertaining to notices due and given, rental payments and terms.

16. There shall be no subleasing or assignment of this Lease without the written consent of the Lessor, which shall not be unreasonably withheld, but, in the event of any assignment or subleasing, the Lessee shall remain liable for all of the terms and provisions of this Lease.

17. To the extent permitted by their respective insurance carriers covering fire and extended coverage, the parties hereto do hereby release each other, and their respective authorized representatives, from any claims for damage to any person or to the property of the other in or in the Leased Premises that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of any such damage.

Each party shall cause each such insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogations against either party in connection with any damage covered by any such policy. Neither party shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by this Lease. If any such insurance policy cannot be obtained with a waiver of subrogation, or is obtainable only by the payment of an additional premium charge above that charged by insurance companies issuing policies without waiver of subrogation, the party undertaking to obtain the insurance shall notify the other party of this fact. The other party shall have a period of ten (10) days after receiving the notice either to place the insurance with a company that is reasonably satisfactory to the other party and that will carry such insurance with a waiver of subrogation, or to agree to pay the additional premium if such a policy is obtainable at additional costs. If the insurance cannot be obtained or the party in whose favor a waiver of subrogation is desired refuses to pay the additional premium charged, the other party is relieved of the obligation to obtain a waiver of subrogation rights with respect to the particular insurance involved.

18. At the termination of this Lease for any reason, Lessee shall make or pay for the following repairs of damages to the Leased Premises in addition to any damages caused or repairs necessitated during the term of this Lease:

(a) Numerous broken and missing windows.
(b) Damage to the door near the loading dock (lock and handle to be replaced, door to be repaired or replaced as necessary).
(c) Damage to two interior doorway structures leading into the metal portion of the building containing two loading docks. Concrete blocks were broken and knocked out by forklifts.
(d) Damage to the rear wall of the metal portion of the building containing two loading docks and damage to dock doors.
(e) Suspended steam heat unit near Toledo scale damaged or destroyed by forklift; to be repaired or replaced.
(f) Dock cushions and bumpers located on docks destroyed; to be replaced.
(g) Numerous interior light fixtures and bulbs destroyed by forklift; to be repaired and replaced.
(h) Damage to wall opening at central aisle at entrance to oldest section of the building.
(i) All damage caused to the office portion of the Leased Premises including the suspended ceiling and ceiling tiles, carpeting, interior walls and water sprinkler system including sprinkler heads.
(j) Damage to paved parking area; damage to exterior employee entrance and damage to loading dock doors.

As the above repairs are completed, Lessor will inspect and sign off on completion.

The repair of the above-referenced damages will be completed or payment therefor will be made by Lessee within thirty (30) days of the termination of this Lease. If Lessee elects to pay Lessor directly for the damage rather than make the repairs, the payment shall be an amount in accordance with a firm bid from a duly licensed contractor to complete all of the necessary repair work. At the completion of the repair work, Lessee shall leave the Leased Premises in "broom clean" condition.

IN TESTIMONY WHEREOF, the Lessor and the Lessee have caused this agreement to be executed, this the day and year first above written.

LESSOR:

MILLS GAP ROAD ASSOCIATES

BY: _____
General Partner

LESSEE:

NAPPER ENTERPRISES, INC.
A Kentucky Corporation

BY: _____
President

ATTEST:

_____
Secretary

(Corporate Seal)

c:smb\leases\millsgap.nap

SHELVED 16-070(2)

TRW/IRC

Merger of IRC into TRW Inc.
Book 2 of 2

TRW INC. - CLRC

FILE RECEIVED IN CLRC FROM: _____

DATE: 6-17-77

CLASSIFICATION

I. Title: Merger of IRC into TRW Inc.
Book 2 of 2

II. Category of Classification

Subsidiary: Active & Passive Components
TRW Resistor Division, TRW/IRC

Non-Affiliated: _____

Subject: _____

Foreign: _____

Printed: _____

III. Catalog

Cross-Reference: _____

_____

Retention: _____

Comments: _____

IV. Classification: .. - 016 - 070 - ... (007)

V. Filed by: Anna Zuirk

Date: 6-20-77

TRW-MGR-0442

Gerald J. Stepnicka
Corporate Law Library Record Center

IRC, Inc.

BIBLE

Book 2. of 2.

(See Supplements I & II)

CONTENTS

C O N T E N T S

1. Letter of Intent dtd. 6 October 1967.

2. Agreement of Merger dtd. 28 November 1967.

3. Amendment to Agreement of Merger dtd. 27 December 1967.

4. Letter transmitting following documents on 11 December 1967 by Jones, Day, Cockley & Reavis:

   4A. Executed copy of letter dtd. 28 November 1967 from IRC to TRW re The Robinson-Halpern Matter.

   4B. Executed copy of letter dtd. 28 November 1967 from IRC to TRW re Lehman Brothers.

   4C. Executed Agreement of 28 November 1967 between Edward S. Weyl and TRW (Consulting Contract)

   4D. Executed Agreement of 28 November 1967 between Wilson H. Oelkers and TRW (Employment Contract)

   4E. Executed copy of Letter Agreement of 28 November 1967 between TRW and stockholders of "Charles Weyl Group".

   4F. Copy of letter dtd. 11 December 1967 to Mr. Stanton of Messrs.Drinker, Biddle & Reath re 4E. above.

   4G. Letters of Agreement of 28 November 1967 between TRW and stockholders of "Directorate Group"
   (1) Executed by George I. Back.
   (2) Executed by Stanley R. Klion.
   (3) Executed by Daumant Kusma.
   (4) Executed by Jesse and Rosalind F. Marsten.
   (5) Executed by Don Mitchell.
   (6) Executed by Wilson H. Oelkers.
   (7) Executed by Walter H. and Dorothy M. Powell.
   (8) Executed by the Weyl Family.
   (9) Executed by William J. Wiley.
   (10) Executed by Alfred H. Williams.

   4H. Signed construction letter dtd. 11 December 1967 from Jones, Day, Cockley & Reavis to Messrs. White & Williams.

   4I. Agreement of Merger dtd. 28 November 1967. (See Supplement II - Schedules to IRC Agreement of Merger)

5. Opinion of Jones, Day, Cockley & Reavis dtd. 10 November 1967 re Antitrust Laws.

6. Letter of Jones, Day, Cockley & Reavis dtd. 22 December 1967 to Antitrust Division (See Supplement I for enclosures referred to)

7. Letter of White & Williams to SEC dtd. 22 November 1967 re Proxy Statement.

TRW-MGR-0443

C O N T E N T S

8. Letter from J. S. Webb to IRC dtd. 28 November 1967
re Arthur H. Richland Company.

9. Memorandum re Negotiations discussing Arthur H. Richland Company.

10. J. S. Webb's letter to IRC dtd. 28 November 1967
re Employee Fringe Benefits.

11. Letter by P. W. Schuette to IRC dtd. 3 January 1968
re written material re TRW and United-Carr and their subsidiaries
furnished by P. W. Schuette to IRC.

12. Letters from Jones,Day, Cockley & Reavis to J. S. Webb and
from J. S. Webb to IRC dtd. 11 December 1967
re IRC - CTS.

13. Letter by IRC dtd. 15 December 1967
enclosing various IRC-CTS documents.

14. Letter from Ernst & Ernst to TRW dtd. 2 January 1968
re "Pro Forma Income and Per Share Data".

15. Letter by Jones, Day, Cockley & Reavis to New York Stock Exchange
dtd. 19 January 1968
re listing of $4.40 Convertible Preference Stock and Common Stock
of TRW.

16. Supplemental letter to Stockholders by IRC dtd. 23 January 1968.

17. Audit Report of Peat, Marwick, Mitchell & Co. dtd. 26 January 1968.

18. See SEC file for SEC File No. 1-2384 Form 8-A
Application for Registration dtd. 7 February 1968.

19. See SEC file for SEC File No. 1-2384 Form 8
Amendment No. 1 to Application for Registration dtd. 7 February
1968.

20. Memorandum from J. D. Wright dtd. 20 February 1968
re Jack Reavis.

21. Application to State of California for permit to
sell and issue securities. TRW-MGR-0444

22. Letter from E. E. Ford to IRC dtd. 8 February 1968
Equalizing Letter.

CONTENTS

23. Letter from Jones, Day, Cockley & Reavis to P. W. Schuette dtd. 3/1/68, attaching the following material incident to Closing of Merger:

A. Letter from P. W. Schuette to JDC&R dtd. 19 February 1968 respecting various resolutions theretofore adopted by the Board of Directors of TRW.

B. Good standing certificates received by IRC from all States in which IRC and Holyoke were qualified at the time of the Closing, except for the State of Massachusetts as to Holyoke, to wit:

California	Massachusetts
Delaware	New York
Florida	North Carolina
Illinois	Pennsylvania
Iowa	

C. Tax certificates received from all States in which IRC and Holyoke were qualified at the time of the Closing to the extent that the certificates enumerated in Item 2 above were not sufficient for this purpose, except for the State of New York as to IRC, to wit:

California	New York
Iowa	North Carolina
Massachusetts	Pennsylvania

D. Telegrams received by IRC indicating that IRC and Holyoke were still in good standing as of the close of business 16 February 1968 in all of the States in which IRC and Holyoke were qualified, except for the State of Massachusetts as to Holyoke, to wit:

California	Massachusetts
Delaware	New York
Florida	North Carolina
Illinois	Pennsylvania
Iowa	

TRW-MGR-0445

E. Certificate and confirmatory telegram from the Secretary of State of Ohio as to the good standing of TRW.

F. Certified resolutions adopted by the Board of Directors and by the stockholders of IRC incident to the merger.

G. Certified resolutions adopted by the Board of Directors of TRW incident to the merger.

H. TRW Officers' Certificate executed by E. E. Ford and P. W. Schuette pursuant to Article XIV(k) of the Agreement of Merger dated 28 November 1967 ("The Agreement").

I. IRC Officers' Certificate executed by Wilson H. Oelkers and Barry R. Spiegel pursuant to Article XV(l) of the Agreement.

J. Opinion letter dated 19 February 1968 from Jones, Day, Cockley & Reavis to TRW pursuant to Article XV(f) of the Agreement.

C O N T E N T S

23. Contd.

K. Opinion letter dated 19 February 1968 from E. E. Ford to TRW pursuant to Article XV(g) of the Agreement.

L. Opinion letter dated 19 February 1968 from E. E. Ford to IRC pursuant to Article XIV(d) of the Agreement.

M. Opinion letter dated 19 February 1968 from White & Williams ("W&W") to IRC pursuant to Article XIV(e) of the Agreement.

N. Opinion letter dated 19 February 1968 from W&W to TRW pursuant to Article XV(h) of the Agreement.

O. Opinion letter dated 16 February 1968 from W&W to E.E.Ford respecting the lease of 401 North Broad Street.

P. Telegrams sent to the New York Stock Exchange and the Pacific Coast Stock Exchange confirming that the merger had become effective.

Q. Letter dated 19 February 1968 from P. W. Schuette to The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York instructing them as to the exchange of IRC shares for TRW shares.

R. Letter dated 19 February 1968 from P. W. Schuette to The Cleveland Trust Company and Bankers Trust Company instructing them as to the registration of certificates for TRW Common and Series 1 Preference Stock.

S. Letter dated 19 February 1968 from P. W. Schuette to The Chase Manhattan Bank instructing them as to the registration of certificates for TRW Common Stock.

T. Opinion letter dated 19 February 1968 from JDC&R to the five banks acting as Transfer Agents and Registrars for TRW.

U. Letter mailed by The Corporation Trust Company on behalf of TRW to the former stockholders of IRC with an attached Letter of Transmittal and Order Form.

24. Application for Curative Permit dtd. 14 March 1968 and related correspondence. (Xerox copy in United-Carr Bible)

25. Two memoranda from J. M. Lee to P. W. Schuette dated 12/4/67 re Closing Documents.

26. Listing Application to New York Stock Exchange.

27. Application for Exemption from Dealer Registration in New York.

28. Letter from SEC to White & Williams dtd. 14 December 1967 re Proxy Material.

29. Correspondence re White & Williams Transmittal letter to SEC dtd. 22 November 1967.

30. Letter from IRC to Jones, Day, Cockley & Reavis dtd. 21 February 1967 re Stock Certificates.

31. Permit of State of California authorizing the sale and issuance of securities, dated 3/27/68.

TRW-MGR-0446

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32. Opinion letter of 8/15/68 from JDC&R.

33. Original Short Certificates from the Recorder of Deeds for New Castle County, Delaware

34. Delaware franchise tax receipt for TRW.

35. Letter dated 11/21/67 from J. F. Webb to TRW re Chicago Telephone Supply Corporation.

36. Letter of 2/9/68 from J. W. to Thile & Williams confirming filing of TRW Amended Articles with Secretary of State of Ohio.

37. Letter of 2/9/68 from Miller to Ford, McClellish & Weeks confirming filing of TRW Amended Articles with Secretary of State of Ohio.

38. Novation Agreement of 2/19/68,

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

(216-621-5800)

March 1, 1968

IN WASHINGTON,
REAVIS, POGUE, NEAL & ROSE
1100 CONNECTICUT AVE 20036
(202-293-2030)

194-gem-rsd
C-2839

P. W. Schuette, Esq.
Secretary
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Re: IRC Closing Materials

Dear Mr. Schuette:

Our messenger is delivering to you herewith for the official records of TRW the following documents which were either delivered to TRW February 19, 1968 at the Closing or were gathered incident to the Closing of the Merger. With the exception of items 5, 16, 17, 18, 19, 20 and 21 all are originals or duplicate originals. A duplicate set of these items and a copy of this letter are being sent to Mr. Leaver.

1. Letter dated February 19, 1968 from P. W. Schuette to JDC&R respecting various resolutions theretofore adopted by the Board of Directors of TRW.

2. Good standing certificates received by IRC from all states in which IRC and Holyoke were qualified at the time of the Closing, except for the State of Massachusetts as to Holyoke, to wit:

California	Massachusetts
Delaware	New York
Florida	North Carolina
Illinois	Pennsylvania
Iowa	

3. Tax certificates received from all states in which IRC and Holyoke were qualified at the time of the Closing to the extent that the certificates enumerated in Item 2 above were not sufficient for this purpose, except for the State of New York as to IRC, to wit:

California	New York
Iowa	North Carolina
Massachusetts	Pennsylvania

4. Telegrams received by IRC indicating that IRC and Holyoke were still in good standing as of the close of business February 16, 1968 in all of the states in which IRC and Holyoke were qualified, except for the State of Massachusetts as to Holyoke, to wit:

California	Massachusetts
Delaware	New York
Florida	North Carolina
Illinois	Pennsylvania
Iowa	

5. Certificate and confirmatory telegram from the Secretary of State of Ohio as to the good standing of TRW.

6. Certified resolutions adopted by the Board of Directors and by the stockholders of IRC incident to the merger.

7. Certified resolutions adopted by the Board of Directors of TRW incident to the merger.

8. TRW Officers' Certificate executed by E. E. Ford and P. W. Schuette pursuant to Article XIV(k) of the Agreement of Merger dated November 28, 1967 ("the Agreement").

9. IRC Officers' Certificate executed by Wilson H. Oelkers and Barry R. Spiegel pursuant to Article XV(1) of the Agreement.

10. Opinion letter dated February 19, 1968 from JDC&R to TRW pursuant to Article XV(f) of the Agreement.

11. Opinion letter dated February 19, 1968 from E. E. Ford to TRW pursuant to Article XV(g) of the Agreement.

12. Opinion Letter dated February 19, 1968 from E. E. Ford to IRC pursuant to Article XIV(d) of the Agreement.

13. Opinion letter dated February 19, 1968 from White & Williams ("W&W") to IRC pursuant to Article XIV(e) of the Agreement.

14. Opinion letter dated February 19, 1968 from W&W to TRW pursuant to Article XV(h) of the Agreement.

15. Opinion letter dated February 16, 1968 from W&W to E. E. Ford respecting the lease of 401 North Broad Street.

16. Telegrams sent to the New York Stock Exchange and the Pacific Coast Stock Exchange confirming that the merger had become effective.

17. Letter dated February 19, 1968 from P. W. Schuette to The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York instructing them as to the exchange of IRC shares for TRW shares.

18. Letter dated February 19, 1968 from P. W. Schuette to The Cleveland Trust Company and Bankers Trust Company instructing them as to the registration of certificates for TRW Common and Series 1 Preference Stock.

19. Letter dated February 19, 1968 from P. W. Schuette to The Chase Manhatter Bank instructing them as to the registration of certificates for TRW Common Stock.

20. Opinion letter dated February 19, 1963 from JDC&R to the five banks acting as Transfer Agents and Registrars for TRW.

21. Letter mailed by The Corporation Trust Company on behalf of TRW to the former stockholders of IRC with an attached Letter of Transmittal and Order Form.

Very truly yours,

William H. Steinbrink

William H. Steinbrink

Enclosures
BY MESSENGER

cc: E. E. Ford, Esq.
R. J. Leaver, Esq.

TRW INC.

EXECUTIVE OFFICES

February 19, 1968

Messrs. Jones, Day, Cockley & Reavis
1750 Union Commerce Building
Cleveland, Ohio 44115

Dear Sirs:

This is to confirm that I have this date executed a Secretary's Certificate with respect to resolutions adopted by the Board of Directors of TRW Inc. at meetings duly called and held on November 16, 1967, December 19, 1967 and February 13, 1968 and that, apart from the resolutions so certified, the Board of Directors have not taken any other action at any time with respect to the proposed mergers of IRC, Inc. and United-Carr Incorporated into TRW Inc.

Very truly yours,

P. W. Schuette

P. W. Schuette, Secretary

23B.

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

* * * *

INTERNATIONAL RESISTANCE COMPANY, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY;

FIRST: That at a meeting of the Board of Directors of INTERNATIONAL RESISTANCE COMPANY resolutions were duly adopted, setting forth a proposed amendment to the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "FIRST" to read as follows:

"FIRST: The name of this corporation is IRC, Inc."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held, at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said INTERNATIONAL RESISTANCE COMPANY has caused its corporate seal to be hereunto affixed and this certificate to be signed by WILSON H. OELKERS, its President, and EDWARD S. WEYL, its Secretary, this 15th day of December, 1965.

INTERNATIONAL RESISTANCE COMPANY

By Wilson H. Oelkers
President

By Edward S. Weyl
Secretary

(CORPORATE SEAL)

TRW-MGR-0452

STATE OF PENNSYLVANIA)
) ss:
COUNTY OF PHILADELPHIA)

BE IT REMEMBERED that on this 15th day of December, A.D. 1965, personally came before me a Notary Public in and for the County and State aforesaid, WILSON H. OELKERS, President of INTERNATIONAL RESISTANCE COMPANY, a corporation of the State of Delaware, the corporation described in and which executed the foregoing certificate, known to me personally to be such, and he, the said Wilson H. Oelkers, as such President, duly executed said certificate before me and acknowledged the said certificate to be his act and deed and the act and deed of said corporation; that the signatures of the said President and of the Secretary of said corporation to said foregoing certificate are in the handwriting of the said President and Secretary of said corporation respectively, and that the seal affixed to said certificate is the common or corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

Notary Public

Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires February 8, 1969

(SEAL)

TRW-MGR-0453

State of Delaware

Office of Secretary of State

I, Elisha C. Dukes, Secretary of State of the State of Delaware, do hereby certify that the above and foregoing is a true and correct copy of Certificate of Amendment of the "INTERNATIONAL RESISTANCE COMPANY", as received and filed in this office the sixteenth day of December, A.D. 1965, at 3:30 o'clock P.M.

In Testimony Whereof, I have hereunto set my hand and official seal at Dover this second day of April in the year of our Lord one thousand nine hundred and sixty-eight.

Elisha C Dukes

Secretary of State

J F Downs

Ass't Secretary of State

FORM 120

TRW-MGR-0454

Certified Copy

CERTIFICATE OF AMENDMENT

OF

INTERNATIONAL RESISTANCE COMPANY

changing title to

IRC, INC.

TRW-MGR-0455

Commonwealth of Pennsylvania

February 2, 1968

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

I DO HEREBY CERTIFY, That from an examination of the indices and corporate records of this department, it appears that on August 3, 1933, a Certificate of Authority was issued to a corporation entitled 'International Resistance Company' now "I R C, INC."

I DO FURTHER CERTIFY, That no proceedings in withdrawal adversely affecting the corporate qualification of the foregoing have been subsequently filed.

WHEREFORE, it appears that this corporation remains a presently subsisting corporation as of the date hereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the Commonwealth to be affixed, the day and year above written.

Secretary of the Commonwealth

State of California

Office of the Secretary of State

SACRAMENTO

I, FRANK M. JORDAN, Secretary of State of the State of California, hereby certify:

That on the 21st *day of* June, 19 54, "International Resistance Company", now:

IRC, INC.,

a Delaware *corporation, filed in this office a copy of its Certificate of Incorporation, Articles of Incorporation, Articles of Organization or other instrument setting forth its creation, together with documents amendatory and/or supplementary thereof (if any), duly certified by the Secretary of State (or other proper official) of said state (commonwealth or jurisdiction), accompanied by a statement giving the location and address of its principal California office, the name and address of its agent in this State and other information required by law at the time of such filing (Section 6403 Corporations Code since September 19, 1947).*

I further certify that thereby the aforementioned corporation complied with the laws of this State governing foreign corporations to the extent necessary to entitle it to transact intrastate business and as of the date of this certificate is so authorized and is in good corporate standing in the State of California.

IN WITNESS WHEREOF, I hereunto set my hand and affix the Great Seal of the State of California

this 31st *day*

of January, 19 68

Secretary of State

Form CS-1

66826-862 3-65 2M OSP

STATE OF DELAWARE

OFFICE OF SECRETARY OF STATE

I, ELISHA C. DUKES, Secretary of State of the State of Delaware, do hereby certify that the Certificate of Incorporation of the "INTERNATIONAL RESISTANCE COMPANY", was received and filed in this office the seventeenth day of April, A.D. 1925, at 10 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Change of Agent and Location of Principal Office on the first day of May, A.D. 1928, at 1 o'clock P.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Amendment on the twenty-fifth day of June, A.D. 1931, at 11 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Amendment on the ninth day of November, A.D. 1936, at 1 o'clock P.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Ownership on the thirtieth day of June, A.D. 1944, at 9 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Reduction of Capital on the twenty-sixth day of July, A.D. 1945, at 9 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Amendment on the ninth day of August, A.D. 1945, at 9 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Retirement of Preferred Shares on the ninth day of October, A.D. 1946, at 11 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Retirement of Preferred Shares on the twenty-seventh day of September, A.D. 1950, at 11 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Amendment on the twenty-first day of December, A.D. 1950, at 11 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Retirement of Preferred Shares on the ninth day of February, A.D. 1951, at 11 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Amendment on the tenth day of January, A.D. 1952, at 11 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Ownership on the twelfth day of March, A.D. 1956, at 11 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Ownership on the twelfth day of March, A.D. 1956, at 11 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Ownership on the twelfth day of March, A.D. 1956, at 11 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Ownership on the ninth day of March, A.D. 1959, at 10 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Amendment on the third day of May, A.D. 1960, at 10 o'clock A.M.;

And I do hereby further certify that the said "INTERNATIONAL RESISTANCE COMPANY", filed a Certificate of Amendment changing its corporate title to "IRC, INC.", on the sixteenth day of December, A.D. 1965, at 3:30 o'clock P.M.;

And I do hereby further certify that the said "IRC, INC.", filed a Certificate of Ownership on the twentieth day of December, A.D. 1965, at 10 o'clock A.M.;

And I do hereby further certify that the aforesaid Certificates are the only Certificates on record of the aforesaid Corporation;

And I do hereby further certify that the Annual Reports have all been filed to date;

And I do hereby further certify that the aforesaid Corporation is duly incorporated under the laws of the State of Delaware and is in good standing and has a legal corporate existence not having been cancelled or dissolved so far as the records of this office show and is duly authorized to transact business;

And I do hereby further certify that all Franchise Taxes have been paid to date.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Dover this thirty-first day of January in the year of our Lord one thousand nine hundred and sixty-eight.

Secretary of State

SECRETARY OF STATE

DOVER, DELAWARE

Cert #9

STATE OF FLORIDA)
) SS
OFFICE SECRETARY OF STATE)

I, TOM ADAMS, Secretary of State of the State of Florida, do hereby certify from the records of this office that IRC, INC.
a corporation organized and existing under the laws of the State of Delaware , is duly authorized to transact business within the State of Florida.

I further certify that said corporation has paid all fees and taxes due this office to date; has otherwise fully complied with the corporation laws administered by this office; and that its Permit is in full force and effect.

GIVEN under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 31st day of January A. D., 1968.

Tom Adams

SECRETARY OF STATE

Certificate Number 9456

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, PAUL POWELL, Secretary of State of the State of Illinois, do hereby certify that IRC, INC., a Delaware corporation, was licensed to transact business in this State June 12, 1953, appears to have complied with all the provisions of the Business Corporation Act of this State, relating to the filing of annual reports and payment of franchise taxes, and is at this time a foreign corporation in Good Standing and authorized to transact business in the State of Illinois.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, Done at the City of Springfield this 1st day of February A.D. 19 68

Paul Powell

SECRETARY OF STATE.

TRW-MGR-0463

STATE OF IOWA

No. 11943

OFFICE OF THE SECRETARY OF STATE

To All To Whom These Presents Shall Come, Greeting:

I, MELVIN D. SYNHORST, Secretary of State
of the State of Iowa;
CUSTODIAN of the records of incorporations;
DO HEREBY CERTIFY THAT:
I R C, INC., a Delaware corporation, qualified
to dodbusiness in Iowa on June 9, 1960 and is
shown by the records in this office to be in good standing.

As the same appear of record in this office.

In Testimony Whereof, *I have hereunto set my hand and affixed the official seal of the Secretary of State, at the Capitol, in Des Moines, this* 31st *day of* January *A. D. nineteen hundred and* Sixty Eight

STATE OF IOWA SECRETARY OF STATE SEAL

Secretary of State

Deputy

The Commonwealth of Massachusetts

Office of the Secretary

State House, Boston 02133

[redacted] JOHN F. X. DAVOREN
Secretary of the Commonwealth

February 5, 1968

To Whom It May Concern:

I hereby certify that the records of this office show that

IRC, Inc.

a corporation organized under the laws of the State of Delaware on April 17, 1925, was qualified to do business in this Commonwealth on December 23, 1965, and I further certify that said corporation is still qualified to do business in this Commonwealth, and is not delinquent in the filing of any Certificate of Condition required to date.

IN TESTIMONY of which, I have hereunto affixed the Great Seal of the Commonwealth on the date first above written.

J. F. X. Davoren

Secretary of the Commonwealth

Raymond D. Lavallee
Deputy Secretary.

TRW-MGR-0465

State of New York } ss.:
DEPARTMENT OF STATE }

It is Hereby Certified, *That* INTERNATIONAL RESISTANCE COMPANY, a Delaware corporation, filed qualifying papers in this Department on the first day of February, 1946, and that a certificate of authority to do business in the State of New York was issued to it on the same day; that a Certificate of Change of Name to IRC, INC. was filed on the twenty-second day of December, 1965; that no Surrender of Authority has been filed, and so far as shown by the records of this Department, such corporation is still authorized to do business in the State of New York.

Witness *my hand and the official seal of the Department of State at the City of Albany, this* thirty-first *day of* January *one thousand nine hundred and* sixty-eight

John P. Lomenzo
Secretary of State

Form CO-522.

State of New York
Department of State

ss:

I Hereby Certify,

That I have made diligent examination of the index of corporation papers filed in this Department for a certificate, order or record of a dissolution of

HOLYOKE WIRE AND CABLE CORPORATION

the certificate of incorporation of which corporation was filed **under the name of THE HOLYOKE COMPANY, INC., on April 30, 1921, fixing the duration as perpetual, and which filed a Certificate changing name on June 21, 1937,**

and that upon such examination, I find no such certificate, order or record, and that so far as indicated by the records of this department, such corporation is a subsisting corporation.

TRW-MGR-0467

Witness *my hand and the official seal of the Department of State at the City of Albany, this* **thirty-first** *day of* **January** *one thousand nine hundred and* **sixty-eight.**

John P. Lomenzo

Secretary of State

CO - 509 (8/67)

STATE OF NORTH CAROLINA
Department of State

I, THAD EURE, Secretary of State of the State of North Carolina, do hereby certify that IRC, INC., a corporation organized under the laws of Delaware, was duly domesticated in the State of North Carolina on the 24th day of November, 1952.

AND I further certify that said IRC, INC. is authorized to transact such business in this State as is permitted by its certificate of incorporation and Chapter 55, General Statutes of North Carolina, entitled "Business Corporation Act" and is in good standing so far as is shown by the records of my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal.

DONE IN OFFICE at Raleigh, this the 1st day of February, 1968.

Secretary of State

TRW-MGR-0468

Commonwealth of Pennsylvania

February 2, 1968

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

I DO HEREBY CERTIFY, That from an examination of the indices and corporate records of this department, it appears that on August 3, 1933, a Certificate of Authority was issued to a corporation entitled 'International Resistance Company' now "I R C, INC."

I DO FURTHER CERTIFY, That no proceedings in withdrawal adversely affecting the corporate qualification of the foregoing have been subsequently filed.

WHEREFORE, it appears that this corporation remains a presently subsisting corporation as of the date hereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the Commonwealth to be affixed, the day and year above written.

Secretary of the Commonwealth

STATE OF CALIFORNIA

FRANCHISE TAX BOARD

1025 P STREET
SACRAMENTO, CALIFORNIA 95814

January 31, 1968

In reply refer to
GA:RTF:PH:kf

C T Corporation System
123 South Broad Street
Philadelphia, Pennsylvania 19109

Re: Corporation: IRC, Inc.
Number : 287979

Gentlemen:

The records of this office indicate that the subject corporation

1. [X] is entitled to transact business in California.

2. [ ] is entitled to transact business in California with no unpaid franchise tax liability of record. Returns remain subject to audit.

3. [ ] has made necessary prepayment on date of incorporation or qualification , and is entitled to transact business in California.

4. [ ] is entitled to transact business in California but we are unable to locate a return for income year ended which was due

5. [ ] is entitled to transact business in California. There is an unpaid liability of $ for taxable year Returns remain subject to audit.

6. [ ] has filed all returns as required under the Bank and Corporation Tax Law and has no unpaid liability record.

7. [ ] has been suspended or forfeited for failure to pay franchise taxes.

8. [ ]

Yours very truly,

R. C. King

R. C. King
Supervisor
General Audit
FTB 4263

TRW-MGR-0470

STATE OF IOWA

DEPARTMENT OF REVENUE

ROBERT LUCAS BUILDING

DES MOINES
50319

February 16, 1968

IRC Inc.
401 N. Broad Street
Philadelphia, Pennsylvania

Att. Mr. Gerald Dragonette

Dear Mr. Dragonette:

IRC, Inc. has filed Iowa corporation tax returns up to and including 1966 and paid the tax shown to be due per return, subject to allowable audit periods.

Very truly yours,

Geo. L. Good

George L. Good, Director
Income Tax Division
Department of Revenue

GLG:na

CC: Leigh Trevor
c/o Jones, Day, Corkley, Reeves
1750 Union Commerce Bldg.
Cleveland, Ohio 44115

The Commonwealth of Massachusetts

Department of Corporations and Taxation

Bureau of Corporations

State Office Building, Government Center
100 Cambridge Street, Boston 02202

Cleo F. Jaillet
Commissioner

David L. Burke
Chief of Bureau

Date February 14, 1968

This is a certificate of good standing and is not to be construed as a waiver or tax certificate as is required under G. L., Ch. 63, Sec. 76, or for dissolution purposes

IRC, Inc.
401 North Broad Street
Philadelphia, Pa. 19108

Gentlemen:

Notice is hereby given that the above-named corporation, organized on April 17, 1925 , under the laws of Delaware and registered to do business in this Commonwealth on Dec. 23, 1965 , has filed all excise returns required by Chapter 63 of the General Laws.

All taxes assessed to date have been paid.

Very truly yours,
Cleo F Jaillet
Commissioner of Corporations
and Taxation

By Robert S Kelley
Assistant Chief of Bureau
of Corporations

No. 1617

The Commonwealth of Massachusetts

Department of Corporations and Taxation

Bureau of Corporations

State Office Building, Government Center
100 Cambridge Street, Boston 02202

Cleo F. Jaillet
Commissioner

David L. Burke
Chief of Bureau

Date February 14, 1968

This is a certificate of good standing and is not to be construed as a waiver or tax certificate as is required under G. L., Ch. 63, Sec. 76, or for dissolution purposes

Holyoke Wire & Cable Corp.
720 Main Street
Holyoke, Mass.

Gentlemen:

Notice is hereby given that the above-named corporation, organized on April 30, 1921, under the laws of New York and registered to do business in this Commonwealth on Feb. 13, 1922, has filed all excise returns required by Chapter 63 of the General Laws.

All taxes assessed to date have been paid.

Very truly yours,
Cleo F. Jaillet
Commissioner of Corporations
and Taxation

By Robert S. Kelley
Assistant Chief of Bureau
of Corporations

No. 1616

CT-96A (11/67)

New York State Department of Taxation and Finance
Corporation Tax Bureau, State Campus, Albany, N. Y. 12226

TAX STATUS - ARTICLES 9, 9A, 9B, & 9C, TAX LAW

Name of Corporation: HOLYOKE WIRE & CABLE CORPORATION Search Date: 2-1-68

Incorporated: 4-30-21

Paid Tax Through: 6-30-67

Owes Tax:

TAX RETURNS HAVE BEEN FILED ONLY FOR PERIODS LISTED ABOVE. See Lien Date Information on Back

CORP. TRUST

ST TAX CORP
OFFICIAL ONLY
WHEN PERFORATED
2 1 68

TRW-MGR-0474

Lien Dates

Section 182 - 1922 to 1961, January 1 following the base calendar year of tax report (Section 182 repealed after 1961).

Article 9-A - 1922 to 1944, November 1.
1945 to date, the due date of tax report, without regard to any extension of filing date.

STATE OF NORTH CAROLINA
DEPARTMENT OF REVENUE
RALEIGH, N. C. 27602

I. L. CLAYTON
COMMISSIONER

February 5, 1968

JAMES P. SENTER
ASSISTANT COMMISSIONER

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

Attention: Mr. Barry R. Spiegel
Secretary

Gentlemen:

In accordance with your letter of January 31, we hereby certify that you have filed all tax returns due this Department to date with the exception of any intangible personal property tax returns for which you might possibly be liable. We know of no specific liability but mention this solely because of the possibility that liability might exist.

We further certify that taxes shown to be due on all returns filed have been paid and that there are no outstanding assessments.

All returns which are not barred by the statute of limitations are, of course, subject to final audit.

Very truly yours,

W. H. HUGHES, JR., Director
Corporate Income & Franchise Tax Division

By: Keith Goodson, Administrative Officer

KG/fm

TRW-MGR-0476

RM RCT-410

Commonwealth of Pennsylvania

Department of Revenue

LIEN CERTIFICATE

Request of

C T Corporation System

123 S. Broad St. 51143

Phila., Pa. 19109

Attn: Miss J. L. Wilsterman

for Liens Certificate under Section 213 of the Act of April 9, 1929, P. L. 343.

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE FOLLOWING IS A TRUE AND CORRECT STATEMENT OF THE LIENS OF RECORD IN THE BUREAU OF CORPORATION TAXES, DEPARTMENT OF REVENUE, COMMONWEALTH OF PENNSYLVANIA AGAINST International Resistance Company Box No. 2906-34

(Formerly: I R C, Inc.)

KIND OF TAX	YEAR	AMOUNT	DATE SETTLED	INTEREST RATE	INTEREST AFTER
		None			

The Commonwealth reserves the right to make collection of any additional amount of Corporate Net Income Tax which may arise from changes made by the Federal Government in connection with Income and Excess Profits Tax Reports.

BC IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED THE SEAL OF THE DEPARTMENT TO BE AFFIXED THIS First DAY OF February A. D. 19 68, AT 5 PM O'CLOCK.

DEPARTMENT OF REVENUE

By John L Brinton
DIRECTOR, BUREAU OF CORPORATION TAXES

FEE FOR THIS CERTIFICATE

The fee for issuance of this Certificate is fifty (50) cents. Payment may be made by check or money order drawn to order of Commonwealth of Pennsylvania. (Checks are received subject to final payment and at the risk of the payer).

TRW-MGR-0477

Telefax **western union** Telefax

825P EST FEB 16 68 CTC522 LA544

L SZ#314 COLLECT FAX SACRAMENTO CALIF 16 424P PST

LEIGH TREVOR ESQ, JONES DAY COCKLEY AND REAVES

1750 UNION COMMERCE BLDG CLEVE

AS OF THE CLOSE OF BUSINESS FEBRUARY 16, 1968, IRC, INC. IS A DELAWARE CORPORATION IN GOOD STANDING.

FRANK M JORDAN SECRETARY OF STATE

(32).

WU 1270 (R8-66)

TRW-MGR-0478

Telefax **western union** Telefax

4:15P EST FEB 16 68 CTC565 PD347 P

CRA090 COLLECT DOVER DEL 16 4:30P EST

U-IGH TREVOR ESQ MESSRS JONES DAY COCKLEY ME REAVIS

1750 UNION COMMERCE BLDG CLEVE

THE RECORDS OF THIS OFFICE INDICATE THAT IRC, INC. IS

SUBSISTING CORPORATION IN GOOD STANDING IN THE STATE OF DELAWARE

ELISHA C DUKES SECY OF STATE

WU 1270 (R8-66)

Telefax **western union** Telefax

534P EST FEB 16 68 CTD350 AE358

A THA364 COLLECT FAX TALLAHASSEE FLO 16 502P EST 68 FEB 16 PM 5 35

MESSRS JONES, DAY, CACKLEY AND REAVES

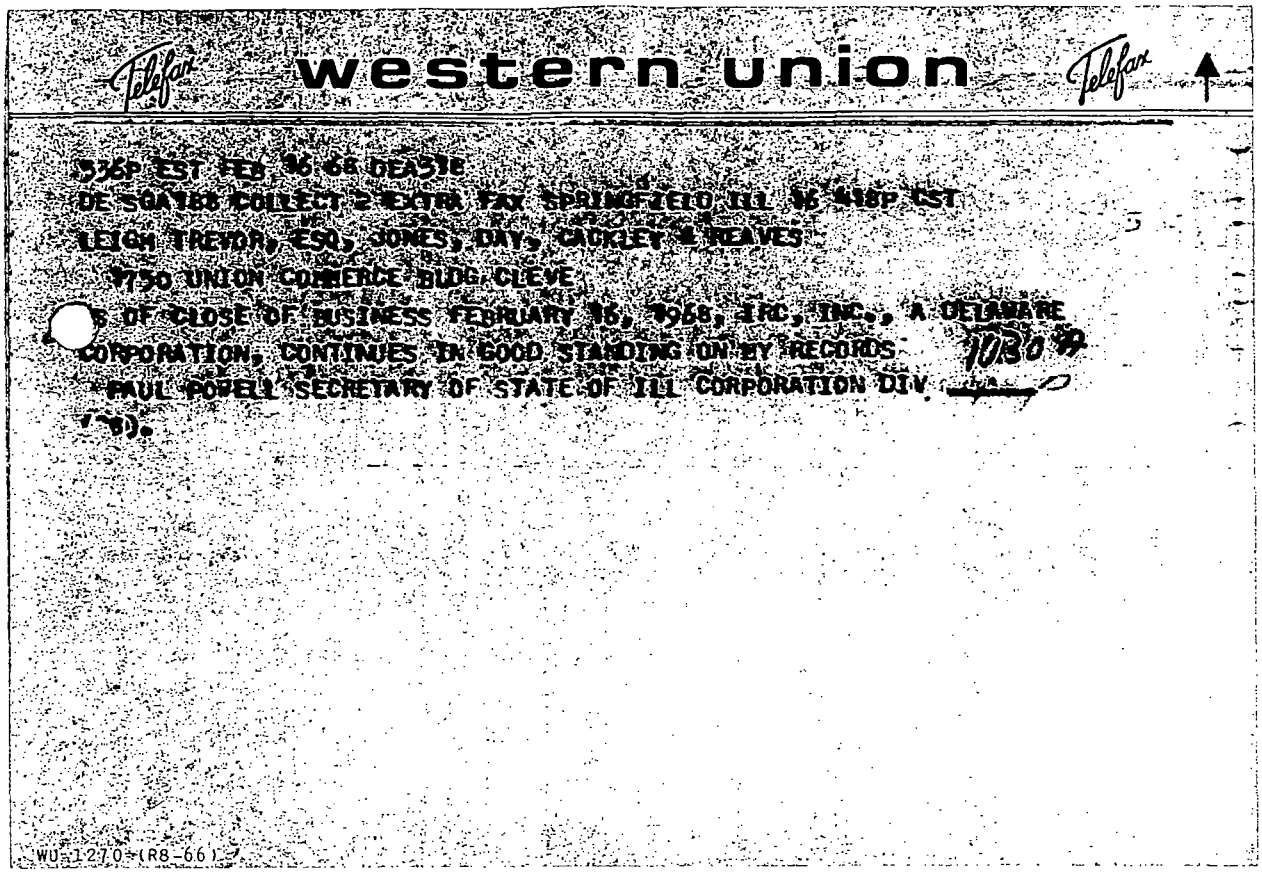
1750 UNION COMMERCE BLDG CLEVE

ATTN: LEIGH TREVOR ESQUIRE

RECORDS OF THIS OFFICE SHOW AT CLOSE OF BUSINESS FEB 16 1968. IRC INC. A DELAWARE CORPORATION IS DULY QUALIFIED TO TRANSACT BUSINESS IN THE STATE OF FLORIDA, HAS PAID ALL FEES AND TAXES DUE THIS OFFICE TO DATE AND THE PERMIT IS IN FULL FORCE AND EFFECT

TOM ADAMS SECY OF STATE. 5-1 P 344 P/C 4-17

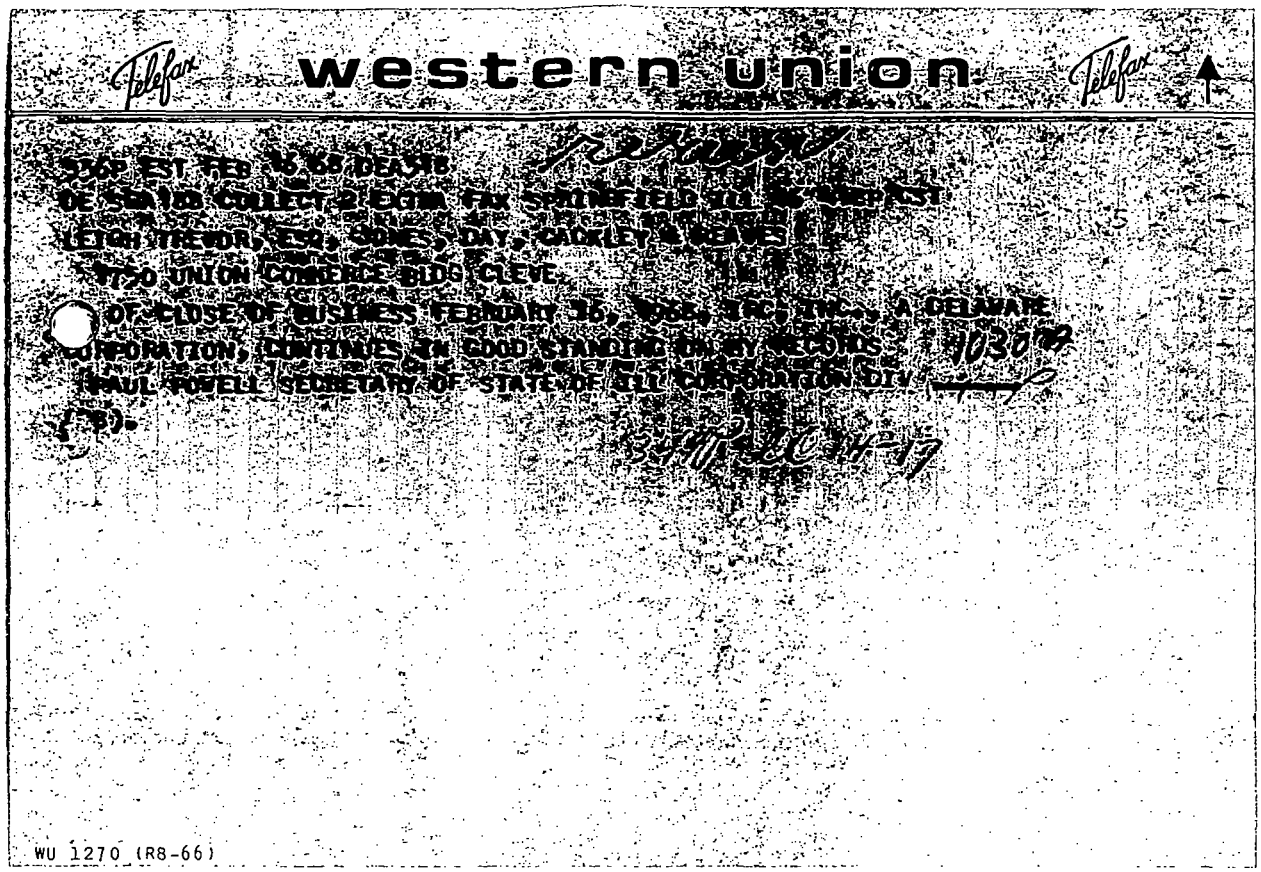
WU 1270 (R8-66)



Telefax western union Telefax

536P EST FEB 16 68 DEA316
DE SGA188 COLLECT 2 EXTRA FAX SPRINGFIELD ILL 16 418P CST
LEIGH TREVOR, ESQ, JONES, DAY, CACKLEY & REAVES
1750 UNION COMMERCE BLDG CLEVE
AS OF CLOSE OF BUSINESS FEBRUARY 16, 1968, IRC, INC., A DELAWARE
CORPORATION, CONTINUES IN GOOD STANDING ON MY RECORDS 1030 29
PAUL POPELL SECRETARY OF STATE OF ILL CORPORATION DIV
68).

WU-1270-(R8-66)



Telefax **western union** Telefax

536P EST FEB 16 68 DEA518

DE SGA188 COLLECT 2 EXTRA FAX SPRINGFIELD ILL 16 [illegible] CST

LEIGH TREVOR, ESQ, JONES, DAY, CACKLEY & REAVES

1750 UNION COMMERCE BLDG CLEVE

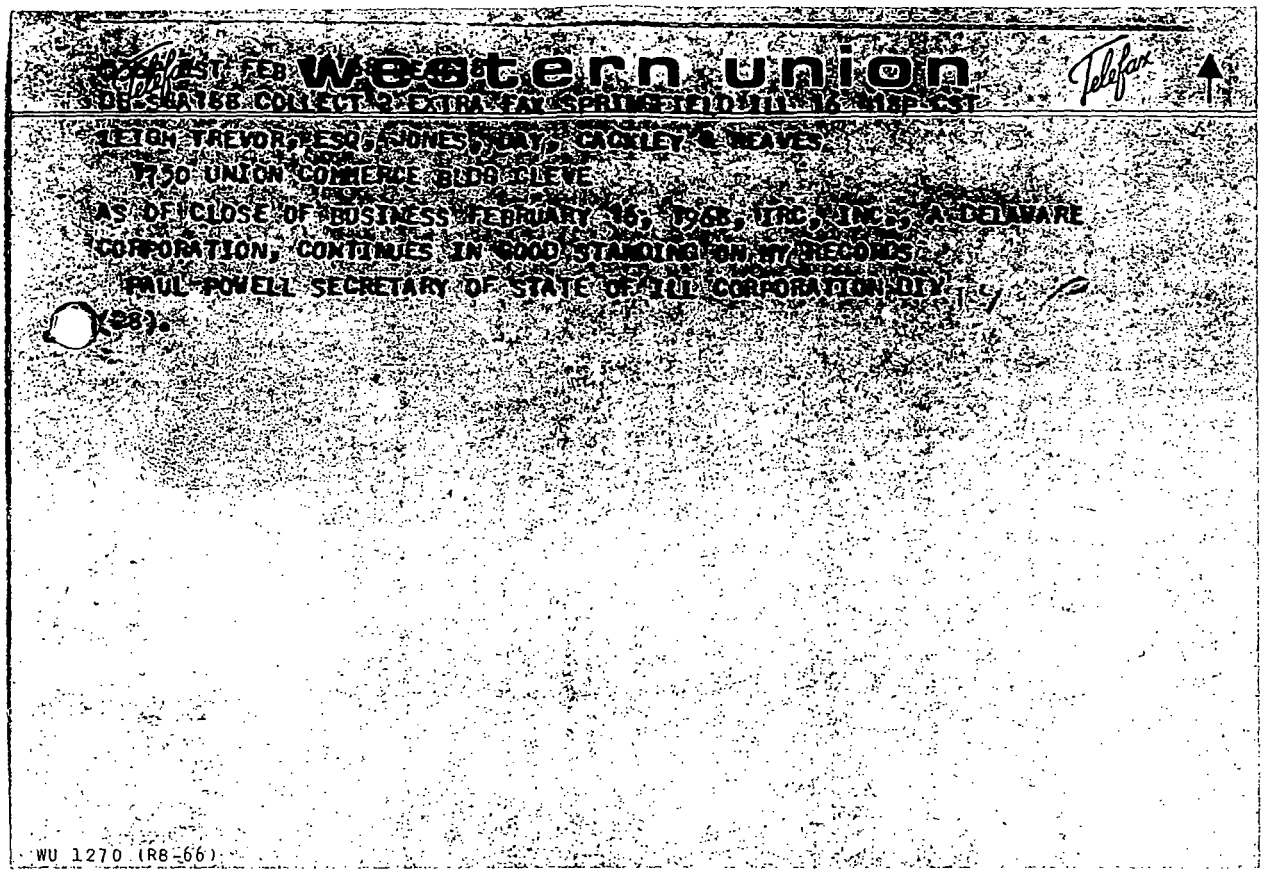
OF CLOSE OF BUSINESS FEBRUARY 16, 1968, [illegible], INC., A DELAWARE CORPORATION, CONTINUES IN GOOD STANDING ON MY RECORDS. 1030

PAUL POWELL SECRETARY OF STATE OF ILL CORPORATION DIV

(B).

WU 1270 (R8-66)

TRW-MGR-0482



Telefax

western union

Telefax

[illegible] CST FEB [illegible]
DB-SGA188 COLLECT 2 EXTRA FAX SPRINGFIELD ILL 16 [illegible] CST

LEIGH TREVOR, ESQ, JONES, DAY, CACKLEY & REAVES
1750 UNION COMMERCE BLDG CLEVE

AS OF CLOSE OF BUSINESS FEBRUARY 16, 1968, IRC, INC., A DELAWARE CORPORATION, CONTINUES IN GOOD STANDING ON MY RECORDS.

PAUL POWELL SECRETARY OF STATE OF ILL CORPORATION DIV

(28).

WU 1270 (R8-66)

Telefax **western union** Telefax

606P EST FEB 16 68 CTC432 NC397

M DM3264 COLLECT DES MOINES IOWA 16 416P CST

LEIGH TREVOR

CARE JONES DAY COCKLEY AND REAVES 1750 UNION COMMERCE BLDG

CLEVE

ARC INC. A DELAWARE CORPORATION DULY QUALIFIED IS SHOWN BY THE RECORDS IN THIS OFFICE TO BE IN GOOD STANDING AT CLOSE F BUSINESS FEBRUARY 16, 1968

MELVIN D SYNHORST SECRETARY OF STATE

(19).

WU 1270 (R8-66)

Telefax **western union** Telefax

2 15P EST FEB 16 68 CTFOT BC 282

B LLM 128 COLLECT BOSTON MASS 16 207P EST 1968 FEB 16 AM 2 45

LEIGH TREVOR ESQ, JONES DAY COCKLEY AND REAVIS

1750 UNION COMMERCE BLDG CLEVE

IRC, INC. DELAWARE CORPORATION REGISTERED AS FOREIGN CORPORATION MASSACHUSETTS DECEMBER 23 1965 CERTIFICATES OF CONDITION FILED AS REQUIRED REGISTRATION IN MASSACHUSETTS NOT WITHDRAWN TO CLOSE OF BUSINESS FEB 16 1968

OFFICE OF THE SEC OF STATE CORPORATION DIVN E B PELLIGRINI 55 [illegible]

IRC INC 23 1965 16 1968 (37).

WU 1270 (R8-66)

TRW-MGR-0485

Telefax **western union** Telefax

436P EST FEB 15 68 CTB B9
SY 8501 SY CMA016 COLL CA ALBANY NY 16 3 16P EST
JONES DAY COCKLEY & REAVIS
1700 UNION COMMERCE BLDG CLEVELAND OHIO
RE YR LE 181 TREVOR AS OF THE CLOSE OF BUSINESS FEB 15 1968
I R C INC IS A DELAWARE CORPORATION AUTHORIZED FEB 1 1945
AND SO FAR AS INDICATED BY THE RECORDS OF THIS DEPARTMENT NO
CERTIFICATE OF SURRENDER OF AUTHORITY HAS BEEN FILED
SEARCHING UNIT DIV OF CORP & STATE RECORDS DEPT OF STATE.

WU 1270 (R8-66)

Telefax **western union** Telefax

433P EST FEB 16 68 CTF309
SYB498 SY CAA014 COLL CA ALBANY NY 16 3 17P EST 1968 FEB 16 PM 4 36
JONES DAY COCKLEY & REAVIS
1750 UNION COMMERCE BLDG CLEVELAND OHIO
ATT MR LEIGH TREVOR AS OF THE CLOSE OF BUSINESS FEB 15 1968
THERE IS NO RECORD OF A CERTIFICATE OF DISSOLUTION HAVING
BEEN FILED IN CONNECTION WITH HOLYOKE WIRE AND CABLE CORPORATIN.
INCORPORATED APRIL 30 1921 SO FAR AS INDICATED BY THE RECORDS
OF THIS DEPARTMENT SUCH CORPORATION IS A SUBSISTING CORPORATION
NOR HAS ANY AMENDMENT BEEN FILED TO THE CERTIFICATE OF INCORPORATION
SINCE THE FILING OF A CERTIFICATE OF AMENDMENT ON SEPT 28 1964
SEARCHING UNIT DIV OF CORP & STATE RECORDS DEPT OF STATE. 446 P

WU 1270 (R8-66)

TRW-MGR-0487

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM ®

W. P. MARSHALL
CHAIRMAN OF THE BOARD

R. W. McFALL
PRESIDENT

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

642P EST FEB 16 68 CTA655 AC403 24-34 FEB 16 PM 6 45

A RGE235 COLLECT FAX RALEIGH NCAR 16 441PP EST

Duplicate of Telephoned Telegram

LEIGH TREVOR, ESQUIRE

2045

ATTORNEY AT LAW 1750 UNION COMMERCE BLDG CLEVE

WE WISH TO ADVISE THAT IRC, INC A DELAWARE CORPORATION IS ACTIVE AND IN GOOD STANDING AS OF FEBRUARY 16 1968

THAD EURE SECRETARY OF STATE

(55).

(1) 621-5800 - BD
(2) 295-0360 (rev)

NO.
S BY MC AT 810P TO LT
CALLS (1) da 740P YM Dly of msgr Sat Am
(2) We ope 25 Time
Indep YM 741P

SF1201 (R2-65)

TRW-MGR-0488

D- 32230

Telefax **western union** Telefax

445P EST FEB 16 68 CTD 10 PE327
PGA286 COLLECT HARRISBURG PENN 16 401P EST 68 FEB 16 PM 4 46
JONES DAY COCKLEY AND REVIS ESQUIRES
1700 UNION COMMERCE BLDG CLEVE
ATTENTION: LEIGH TREVOR ESQUIRE
CORPORATION INDICES THIS DEPARTMENT DISCLOSE A DELAWARE CORPORATION
ENTITLED "IRC, INC" (FORMERLY "INTERNATIONAL RESISTANCE COMPANY")
GRANTED A CERTIFICATE OF AUTHORITY AUGUST 3, 1933. NEITHER
SURRENDERED NOR REVOKED THEREFORE CORPORATION REMAINS QUALIFIED
JOSEPH J KELLEY JR SECRETARY OF THE COMMONWEALTH
(...).

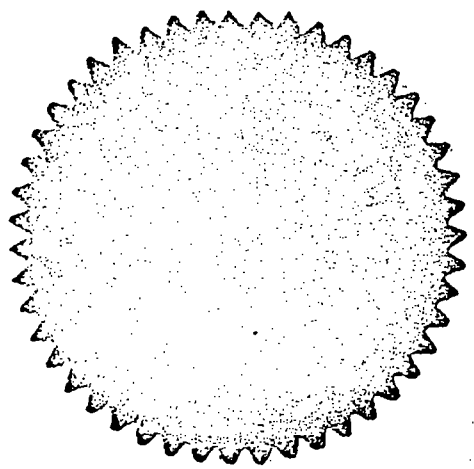
WU 1270 (R8-66)

UNITED STATES OF AMERICA,
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE.

I, TED W. BROWN,

do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign corporations; that said records show TRW INC., an Ohio corporation, principal location Euclid, incorporated June 17, 1916; and said corporation is in good standing as of this date.

WITNESS my hand and official seal at Columbus, Ohio, this 14th *day of* February, *A. D. 19*68.



Ted W. Brown

TED W. BROWN
Secretary of State

Telefax **western union** Telefax

430P EST FEB 16 68 CTD291
CT CZA329 COLLECT FAX COLUMBUS OHIO 16 415P EST 1968 FEB 16 PM 4 32
ATTN MR TREVOR, JONES, DAY, COCKLEY &REAVIS
1750 UNION COMMERCE BLDG CLEVE
AS OF CLOSE OF BUSINESS THIS DAY, TRW INC. REMAINS IN GOOD
STANDING ACCORDING TO OUR RECORDS
TED W BROWN SECRETARY OF STATE OF OHIO
(18).

WU 1270 (RB-66)

TRW-MGR-0492

C E R T I F I C A T I O N

I, Barry R. Spiegel, Secretary of IRC, Inc., a Delaware corporation (the Company), hereby certify that the resolutions attached hereto and hereby made a part hereof as Exhibits A, B, C and D, were duly adopted by the Board of Directors of the Company at meetings duly called and held November 13, 1967, December 22, 1967, January 30, 1968 and February 14, 1968, respectively; and that the resolutions attached hereto and made a part hereof as Exhibit E were duly adopted by the holders of more than two-thirds of the issued and outstanding stock of the Company at a special stockholders' meeting duly called and held on January 30, 1968, and as reconvened on February 14, 1968, and that all such resolutions are in full force and effect on the date hereof except and only to the extent that subsequent resolutions attached hereto alter, rescind, or otherwise limit prior resolutions attached hereto.

IN WITNESS WHEREOF, I have set my hand hereto and caused the seal of IRC, Inc. to be affixed hereto this 19th day of February, 1968.

Barry R. Spiegel

Barry R. Spiegel, Secretary

(CORPORATE SEAL)

Exhibit A

Resolutions of Board of Directors of IRC, Inc.
Adopted November 13, 1967

RESOLVED, That this Board of Directors hereby approves and adopts the Agreement of Merger between TRW Inc. and IRC, Inc. as submitted to this meeting.

RESOLVED FURTHER, That there is hereby delegated to the Executive Committee the power to modify any of the provisions of the agreement or of the schedules referred to therein as provided in Sections 18.1 and 18.2 of the agreement, provided that such modification shall not affect materially and adversely the benefits of this corporation or of the stockholders; and there is further delegated to the Executive Committee the authority to agree upon the amount of the additional equalizing cash dividend provided for in Article XI of the agreement.

RESOLVED FURTHER, That the President or the Chairman of the Board and the Secretary or any Assistant Secretary of this Corporation be, and they hereby are, authorized to execute on behalf of the Corporation the Agreement of Merger in the form as submitted to the meeting or as modified in accordance with the preceding resolution.

RESOLVED FURTHER, That the Agreement of Merger be submitted to the stockholders of this Corporation at a special meeting for the purpose of acting on the agreement, to be held in Philadelphia, Pennsylvania, on Tuesday, January 30, 1968, at 10:30 a. m., the selection of the precise place of meeting being hereby delegated to the Executive Committee.

RESOLVED FURTHER, That only holders of shares of common stock at the close of business on December 4, 1967 shall be entitled to notice of and to vote at said special meeting.

RESOLVED FURTHER, That Jesse Marsten, Wilson H. Oelkers, and Edward S. Weyl, or each of them (with full power to act without the others and with full power of substitution) are appointed Management Proxies for said special meeting of stockholders.

RESOLVED FURTHER, That the appointment of Judges of Election and alternate Judges of Election to act at said special meeting of stockholders is hereby delegated to the Executive Committee.

RESOLVED FURTHER, That the responsibility for approving the proxy solicitation material for the special meeting of stockholders and for authorizing and directing its distribution, is hereby delegated to the Executive Committee.

RESOLVED FURTHER, That the President is hereby authorized to enter into an agreement with Georgeson & Co. to furnish services as proxy solicitors in connection with the special meeting of stockholders.

RESOLVED FURTHER, That (subject where required by law to stockholder approval) the proper officers of this Corporation are hereby authorized to execute, in behalf of this Corporation, any and all documents, and to do any and all other acts necessary or appropriate to consummate the transactions contemplated by the Agreement of Merger.

Exhibit B

Resolutions of Board of Directors of IRC, Inc.
Adopted December 22, 1967

RESOLVED, That this Board of Directors hereby approves and adopts the Amendment to the Agreement of Merger dated November 28, 1967, between TRW Inc. and IRC, Inc., as submitted to this meeting.

RESOLVED FURTHER, That the President or Chairman of the Board and the Secretary or any Assistant Secretary of this Corporation be and they hereby are authorized to execute on behalf of this Corporation the Amendment to the Agreement of Merger in the form as submitted to the meeting.

RESOLVED FURTHER, That the Agreement of Merger dated November 28, 1967, between TRW Inc. and IRC, Inc., as amended by such Amendment, is hereby approved and adopted, and that each of the resolutions heretofore adopted by this Board relating to such Agreement of Merger and the merger of IRC, Inc. into TRW Inc., hereby are readopted with respect to such Agreement of Merger as so amended, that the authority heretofore conferred upon certain officers of the Corporation and the Executive Committee of this Board with respect to such Agreement of Merger and such merger shall in all respects apply to the Agreement of Merger as so amended.

Exhibit C

Resolution of Board of Directors of IRC, Inc.
Adopted January 30, 1968

WHEREAS, Article XI(a)(ii)(c) of the Agreement of Merger provides for an equalizing cash dividend, the amount of which shall be determined in a written agreement executed by the officers of IRC and TRW authorized to make such determination by their respective Boards of Directors and the amount so determined shall be conclusive and binding on all parties and their respective shareholders; and

WHEREAS this Board on November 13, 1967, by resolution delegated to its Executive Committee the authority to agree upon the amount of the equalizing cash dividend provided for in Article XI of the Agreement of Merger; and

WHEREAS the Executive Committee has not been required to act pursuant to such delegation; and

WHEREAS this Board has by prior action in this meeting declared a dividend of 27¢ per share, payable on March 1, 1968 to stockholders of record at the close of business on February 15, 1968, and it is the sense of the meeting that no further equalizing cash dividend shall be paid under Article XI assuming that the Merger with TRW is consummated by March 1, 1968,

NOW, THEREFORE, IT IS

RESOLVED, That the President or the Chairman of the Board of this corporation is hereby authorized to enter into a written agreement with TRW Inc. providing for an equalizing cash dividend as declared today by the Board and for no further dividend declaration if the merger into TRW Inc. is consummated by March 1, 1968, and with the proviso that if such merger is not consummated until after March 1, 1968, the situation will be reexamined in the light of Article XI of the Agreement of Merger to determine what further dividend action, if any, might be appropriate.

Exhibit D

Resolution of Board of Directors of IRC, Inc.
Adopted February 14, 1968

RESOLVED, That each of the Company's pension plans is hereby amended by adding the following provision:

> Upon the merger of the Company with TRW Inc. (hereinafter referred to as the Successor Company), such Successor Company shall be deemed, by operation of law, to have continued and adopted the various qualified pension plans of the Company with respect to the groups covered under each of said pension plans prior to the merger. Accordingly, the Successor Company shall have all the rights, privileges, duties and obligations of the Company under such pension plans, and such pension plans, and the trusts established thereunder, shall not be considered as having terminated, nor shall the merger be considered as having terminated the employment of any individuals covered under any of such pension plans.

Exhibit E

Resolutions of Special Meeting of Stockholders of IRC, Inc.
January 30, 1968 and February 14, 1968

January 30, 1968

RESOLVED, That this meeting be adjourned, to reconvene on Wednesday, February 14, 1968, at 1:30 o'clock p. m., Eastern Standard Time, in the Assembly Room of The Philadelphia National Bank, Broad and Chestnut Streets, Philadelphia, Pennsylvania.

February 14, 1968

RESOLVED, that the Agreement of Merger dated November 28, 1967, between TRW Inc. and IRC, Inc. in the form submitted to the meeting and hereby ordered filed with the records of this corporation, which form embodies the Amendment dated December 27, 1967 and certain changes to Exhibit B to such Agreement, be and the same hereby is approved and adopted.

RESOLVED FURTHER, that the appropriate officers of this corporation be and they hereby are authorized and directed to execute, acknowledge and file such Agreement of Merger and any and all other documents, and to do any and all other acts, necessary or appropriate to consummate the transactions contemplated by such Agreement of Merger.

SECRETARY'S CERTIFICATE

I, P. W. Schuette, Secretary of TRW Inc., an Ohio corporation (the "Company"), hereby certify that the resolutions attached hereto and hereby made a part hereof as Exhibits A, B and C were duly adopted by the Board of Directors of the Company at meetings duly called and held November 16, 1967, December 19, 1967, and February 13, 1968, respectively, and that such resolutions are in full force and effect on the date hereof except and only to the extent that subsequent resolutions attached hereto alter, rescind, or otherwise limit prior resolutions attached hereto.

IN WITNESS WHEREOF, I have set my hand hereunto and caused the seal of TRW Inc. to be affixed hereunto this th day of February, 1968.

P. W. Schuette, Secretary

[Corporate Seal]

RESOLVED, that the following Amended Articles of Incorporation of the Corporation be and hereby are adopted:

/A copy of the Amended Articles of Incorporation adopted by this resolution is inserted in the record book following these minutes and is incorporated herein by this reference./

FURTHER RESOLVED, that the officers of the Corporation be and hereby are authorized and directed to cause a duly executed certificate of the adoption of such Amended Articles of Incorporation to be filed in the office of the Secretary of State of Ohio at such time, prior to the first to occur of the merger of United-Carr Incorporated into the Corporation or the merger of IRC, Inc., into the Corporation, as the officers executing the same shall determine.

EXHIBIT A

RESOLVED, that the proposed Agreement of Merger between this Corporation and United-Carr Incorporated ("United") providing for the merger of United into the Corporation, in the form which has been presented to this meeting and hereby is ordered filed with the records of the Corporation, with such minor and technical changes or corrections in such form as may be approved by the officers of the Corporation executing the same, hereby is approved.

FURTHER RESOLVED, that the proper officers of the Corporation hereby are authorized, for and on behalf of the Corporation, to execute and deliver, at such time as the officers executing the same shall deem appropriate, an Agreement of Merger in such form with any such changes or corrections.

FURTHER RESOLVED, that the officers of the Corporation hereby are authorized to take such action as they may deem necessary or desirable to cause the assets of United prior to its merger into the Corporation to be transferred immediately after the time such merger becomes effective to a wholly-owned subsidiary of the Corporation to be named United-Carr Corporation, and that initially the persons who are officers of United at the time such merger becomes effective shall hold the same offices in such subsidiary.

FURTHER RESOLVED, that the Executive Committee of this Board hereby is authorized to exercise any and all powers of this Board under and with respect to the Agreement of Merger between the Corporation and United.

FURTHER RESOLVED, that if in connection with the consummation of the merger of United into the Corporation any application or other instrument must be filed or other action must be taken by the Corporation to comply with the securities laws of any state, or the Corporation is required to qualify as a foreign corporation in any state, the officers of the Corporation hereby are authorized to file any such application or other instrument and to take all such action as may be required to effect such compliance or such qualification, and if in connection therewith any particular form of resolution shall be required such resolution shall be deemed hereby adopted provided a copy thereof shall be inserted in the record book of the Corporation following the minutes of this meeting.

FURTHER RESOLVED, that the officers of the Corporation, and each of them, hereby are authorized, empowered and directed, for and on behalf and in the name of the Corporation, to execute, deliver, file and record all such documents and instruments and to take or cause to be taken all such other action which in the judgment of the officers or any of them

may be necessary or advisable to effectuate the merger of United into the Corporation, and to carry out the terms of the Agreement of Merger between the Corporation and United and the foregoing resolutions and the intent and purposes thereof.

RESOLVED, that the proposed Agreement of Merger between this Corporation and IRC, Inc. ("IRC") providing for the merger of IRC into the Corporation, in the form which has been presented to this meeting and hereby is ordered filed with the records of the Corporation, with such minor and technical changes or corrections in such form as may be approved by the officers of the Corporation executing the same, hereby is approved.

FURTHER RESOLVED, that the proper officers of the Corporation hereby are authorized, for and on behalf of the Corporation, to execute and deliver, at such time as the officers executing the same shall deem appropriate, an Agreement of Merger in such form with any such changes or corrections.

FURTHER RESOLVED, that the Chairman, Vice Chairman, President or any Vice President of the Corporation be and hereby is authorized to execute and deliver for and on behalf of the Corporation (i) an agreement determining the amount of the equalizing cash dividend, if any, to be paid by IRC in accordance with clause (C) of paragraph (a) of Article XI of such Agreement of Merger, (ii) an Employment Agreement providing for employment of Wilson Oelkers by the Corporation for a period of five years, and (iii) a Consulting

Agreement providing for the rendition of consulting services by Edward S. Weyl to the Corporation for a period of five years, each such instrument to contain such terms not inconsistent with the foregoing and to be in such form as the officer executing it shall approve.

FURTHER RESOLVED, that the Executive Committee of this Board hereby is authorized to exercise any and all powers of this Board under and with respect to the Agreement of Merger between the Corporation and IRC.

FURTHER RESOLVED, that if in connection with the consummation of the merger of IRC into the Corporation any application or other instrument must be filed or other action must be taken by the Corporation to comply with the securities laws of any state, or the Corporation is required to qualify as a foreign corporation in any state, the officers of the Corporation hereby are authorized to file any such application or other instrument and to take all such action as may be required to effect such compliance or such qualification, and if in connection therewith any particular form of resolution shall be required such resolution shall be deemed hereby adopted provided a copy thereof shall be inserted in the record book of the Corporation following the minutes of this meeting.

FURTHER RESOLVED, that the officers of the Corporation, and each of them, hereby are authorized, empowered and directed, for and on behalf and in the name of the Corporation, to execute, deliver, file and record all such documents and instruments and to take or cause to be taken all such other action which in the judgment of the officers or any of them may be necessary or advisable to effectuate the merger of IRC into the Corporation, and to carry out the terms of the Agreement of Merger between the Corporation and IRC and the foregoing resolutions and the intent and purposes thereof.

RESOLVED, that upon each conversion of shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, and shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2, there be transferred from capital surplus or, if the Corporation shall have no capital surplus, from retained income to stated capital such amount, if any, as may be required to be so transferred in order to cause the stated capital for the shares of Common Stock issued upon such conversion to be equal to the par value of such shares of Common Stock.

RESOLVED, that the resolutions adopted by this Board of Directors on November 16, 1967 adopting Amended Articles of Incorporation of the Corporation, and authorizing the filing of a certificate of adoption thereof in the office of the Secretary of State of Ohio, be and hereby are rescinded.

RESOLVED, that the following Amended Articles of Incorporation of the Corporation be and hereby are adopted:

/A copy of the Amended Articles of Incorporation adopted by this resolution is inserted in the record book following these minutes and is incorporated herein by this reference./

FURTHER RESOLVED, that the officers of the Corporation be and hereby are authorized and directed to cause a duly executed certificate of the adoption of such Amended Articles of Incorporation to be filed in the office of the Secretary of State of Ohio at such time, prior to the first to occur of the merger of United-Carr Incorporated into the Corporation or the merger of IRC, Inc. into the Corporation, as the officers executing the same shall determine.

EXHIBIT B

RESOLVED, that the proposed Amendment to Agreement of Merger ("Amendment") between this Corporation and United-Carr Incorporated ("United") amending the Agreement of Merger dated November 29, 1967 between the Corporation and United, in the form which has been presented to this meeting and hereby is ordered filed with the records of the Corporation, hereby is approved.

FURTHER RESOLVED, that the officers of the Corporation hereby are authorized and directed, for and on behalf of the Corporation, to execute and deliver an Amendment in such form.

FURTHER RESOLVED, that the Agreement of Merger dated November 29, 1967 between this Corporation and United as amended by such Amendment hereby is approved, and that each of the resolutions heretofore adopted by this Board relating to such Agreement of Merger and the merger of United into the Corporation hereby is readopted with respect to such Agreement of Merger as so amended, and that the authority heretofore conferred upon the officers of the Corporation and the Executive Committee of this Board with respect to such Agreement of Merger and such merger shall in all respects apply to such Agreement of Merger as so amended.

RESOLVED, that the proposed Amendment to Agreement of Merger ("Amendment") between this Corporation and IRC, Inc. ("IRC") amending the Agreement of Merger dated November 28, 1967 between the Corporation and IRC, in the form which has been presented to this meeting and hereby is ordered filed with the records of the Corporation, hereby is approved.

FURTHER RESOLVED, that the officers of the Corporation hereby are authorized and directed, for and on behalf of the Corporation, to execute and deliver an Amendment in such form.

FURTHER RESOLVED, that the Agreement of Merger dated November 28, 1967 between this Corporation and IRC as amended by such Amendment hereby is approved, and that each of the resolutions heretofore adopted by this Board relating to such Agreement of Merger and the merger of IRC into the Corporation hereby is readopted with respect to such Agreement of Merger as so amended, and that the authority heretofore conferred upon the officers of the Corporation and the Executive Committee of this Board with respect to such Agreement of Merger and such merger shall in all respects apply to such Agreement of Merger as so amended.

RESOLVED, that, subject to the discretion of the officers as to the time and extent thereof, applications be made (a) to the New York Stock Exchange for listing upon notice of issuance of the shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("Series 1 Preference Stock"), of the Corporation to be issued upon consummation of the merger of United-Carr Incorporated ("United") into the Corporation and to be issuable upon exercise of options of United which in such merger shall become options to purchase shares of the Corporation, and (b) to the New York, Midwest, Philadelphia-Baltimore-Washington and Pacific Coast Stock Exchanges for listing upon notice of issuance of the shares of Common Stock of the Corporation to be issuable upon conversion of such shares of Series 1 Preference Stock.

FURTHER RESOLVED, that E. E. Ford, P. W. Schuette, T. R. Colborn, C. C. Tucker and H. J. Hansell and each of them, hereby are designated by the Corporation to appear before any department, committee, body or official of any of such exchanges, with authority to make such applications and agreements relative thereto and such changes therein as may be necessary or desirable to conform to applicable requirements for listing of such shares.

FURTHER RESOLVED, that each of the officers of the Corporation hereby is authorized for and on behalf of the Corporation to execute a power of attorney evidencing the foregoing appointment.

* * *

RESOLVED, that The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York hereby are appointed Transfer Agents, The Cleveland Trust Company and Bankers Trust Company hereby are appointed Registrars and The National City Bank of Cleveland hereby is appointed Dividend Disbursing Agent for the Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("Series 1 Preference Stock"), of the Corporation.

FURTHER RESOLVED, that the foregoing Transfer Agents and Registrars be and hereby are granted full authority relative to the issuance, registration, transfer and delivery of certificates for all shares of such stock, including the shares thereof to be issued in the merger of United-Carr Incorporated ("United") into the Corporation and to be issuable upon exercise of options of United which in such merger shall become options to purchase shares of the Corporation, in accordance with their respective regulations relating thereto and

with essentially the same authority as heretofore granted to the Transfer Agents and Registrars for the Corporation's Common Stock.

FURTHER RESOLVED, that the authority of The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York as Transfer Agents, The Cleveland Trust Company and The Chase Manhattan Bank as Registrars and The National City Bank of Cleveland as Dividend Disbursing Agent for the Common Stock of the Corporation hereby is extended to include the additional shares of Common Stock which may be issued from time to time upon conversion of shares of Series 1 Preference Stock.

FURTHER RESOLVED, that the officers of the Corporation and any of them hereby are authorized and directed to deliver or cause to be delivered to each of said institutions a certified copy of the foregoing resolutions and such other letters, instructions and documents, including opinions of counsel, as shall be necessary or desirable in connection with the authority and the extension of authority conferred pursuant to the foregoing resolutions.

* * *

RESOLVED, that The National City Bank of Cleveland hereby is appointed and authorized to act as Exchange Agent for

adjustment of fractional interests in shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, resulting from the merger of United-Carr Incorporated ("United") into the Corporation, and that the officers of the Corporation hereby are authorized and directed to take such action, and to authorize and direct such Exchange Agent to take such action, as such officers may deem necessary or advisable to effect adjustment of such fractional interests as provided in the Agreement of Merger between the Corporation and United.

* * *

RESOLVED, that the certificates for Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, shall be in such form not inconsistent with the terms and provisions of such stock and complying with the requirements of the New York Stock Exchange as shall be determined or approved by the officers of the Corporation.

* * *

RESOLVED, that, subject to the discretion of the officers as to the time and extent thereof, applications be made (a) to the New York Stock Exchange for listing upon

notice of issuance of shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, or alternatively of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2, of the Corporation to be issued upon consummation of the merger of IRC, Inc. ("IRC") into the Corporation and to be issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation, and (b) to the New York, Midwest, Philadelphia-Baltimore-Washington and Pacific Coast Stock Exchanges for listing upon notice of issuance of the shares of Common Stock of the Corporation to be issuable upon consummation of such merger, exercise of such options and upon conversion of such shares of Serial Preference Stock II.

FURTHER RESOLVED, that E. E. Ford, P. W. Schuette, T. R. Colborn, C. C. Tucker and H. J. Hansell, and each of them, hereby are designated by the Corporation to appear before any department, body, committee or official of any of such exchanges, with authority to make such applications and agreements relative thereto and such changes therein as may

be necessary or desirable to conform to applicable requirements for listing of such shares.

FURTHER RESOLVED, that each of the officers of the Corporation hereby is authorized for and on behalf of the Corporation to execute a power of attorney evidencing the foregoing appointment.

* * *

RESOLVED, that if shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("Series 1 Preference Stock"), of the Corporation shall be issued in the merger of IRC, Inc. ("IRC") into the Corporation and shall be issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation, the authority of The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York as Transfer Agents, The Cleveland Trust Company and Bankers Trust Company as Registrars and The National City Bank of Cleveland as Dividend Disbursing Agent for Series 1 Preference Stock hereby is extended to include such shares.

FURTHER RESOLVED, that if shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2 ("Series 2

Preference Stock"), of the Corporation shall be issued in the merger of IRC into the Corporation and shall be issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation:

1. The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York hereby are appointed Transfer Agents, The Cleveland Trust Company and Bankers Trust Company hereby are appointed Registrars and The National City Bank of Cleveland hereby is appointed Dividend Disbursing Agent for the Series 2 Preference Stock; and the foregoing Transfer Agents and Registrars be and hereby are granted full authority relative to the issuance, registration, transfer and delivery of certificates for all shares of such stock, including the shares thereof to be issued in such merger and to be issuable upon exercise of such options, in accordance with their respective regulations relating thereto and with essentially the same authority as heretofore granted to the Transfer Agents and Registrars for the Corporation's Common Stock.

2. The authority of The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York as Transfer Agents, The Cleveland Trust Company and The Chase Manhattan Bank as Registrars and The National City Bank of Cleveland

as Dividend Disbursing Agent for the Common Stock of the Corporation hereby is extended to include the additional shares of Common Stock which may be issued from time to time upon conversion of shares of Series 2 Preference Stock.

FURTHER RESOLVED, that the authority of the aforesaid Transfer Agents, Registrars and Dividend Disbursing Agent for the Common Stock of the Corporation hereby is extended to include the additional shares of Common Stock to be issued in the merger of IRC into the Corporation and the additional shares of Common Stock issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation.

FURTHER RESOLVED, that the officers of the Corporation and any of them hereby are authorized and directed to deliver or cause to be delivered to each of said institutions a certified copy of the foregoing resolutions and such other letters, instructions and documents, including opinions of counsel, as shall be necessary or desirable in connection with the authority and the extension of authority conferred pursuant to the foregoing resolutions.

* * *

RESOLVED, that if shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2 ("Series 2 Preference Stock"), shall be issued in the merger of IRC, Inc. ("IRC")

into the Corporation and shall be issuable upon exercise of options of IRC which in such merger shall become options to purchase shares of the Corporation, the certificates for Series 2 Preference Stock shall be in such form not inconsistent with the terms and provisions of such stock and complying with the requirements of the New York Stock Exchange as shall be determined or approved by the officers of the Corporation.

* * *

RESOLVED, that The National City Bank of Cleveland hereby is appointed and authorized to act as the agent of the Corporation to make cash adjustments for fractional interests in shares of Serial Preference Stock II and shares of Common Stock resulting from the merger of IRC, Inc. ("IRC") into the Corporation, and that the officers of the Corporation hereby are authorized and directed to take such action, and to authorize and direct such agent to take such action, as such officers may deem necessary or advisable to effect such cash adjustments of fractional interests as provided in the Agreement of Merger between the Corporation and IRC.

* * *

RESOLVED, that the officers of the Corporation hereby are authorized and directed for and on its behalf to execute

and file with the Securities and Exchange Commission pursuant to the Securities Act of 1933 a registration statement or registration statements and to do or cause to be done all things necessary or advisable in order to effect the registration under said Act of (1) the shares of Serial Preference Stock II and of Common Stock of the Corporation which shall be issuable upon exercise of options of United-Carr Incorporated ("United"), options of IRC, Inc. ("IRC"), and options of Hazelton Laboratories, Incorporated ("Hazelton"), which shall in connection with the acquisitions of those corporations by the Corporation become options to purchase shares of the Corporation, (2) the shares of Serial Preference Stock II and of Common Stock of the Corporation received in such acquisitions in respect of shares of United, IRC or Hazelton issued prior to such acquisitions upon exercise of options granted by United, IRC or Hazelton, respectively, and (3) the shares of Common Stock of the Corporation issuable upon conversion of such shares of Serial Preference Stock II.

FURTHER RESOLVED, that E. E. Ford, P. W. Schuette, T. R.Colborn, C. C. Tucker, H. J Hansell, J. B. Houck and J. S. Walker, and each of them, hereby are appointed as attorneys for this Corporation, with full power of

substitution, for and in the name, place and stead of the Corporation to sign and file such registration statement or registration statements and any and all amendments (including post-effective amendments) and exhibits thereto and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration or such securities, with full power and authority to do and perform any and all acts and things whatsoever requisite and necessary to be done in the premises, hereby ratifying and confirming and approving the acts of said attorneys or any of them or any such substitute.

FURTHER RESOLVED, that each of the officers of this Corporation hereby is authorized for and on behalf of the Corporation to execute powers of attorney evidencing the foregoing appointment.

* * *

RESOLVED, that the officers of the Corporation hereby are authorized to take all such action as they deem necessary or advisable to effect the registration of the Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, and the Cumulative Serial Preference Stock II, $4.40 Convertible Series 2, of the Corporation under the Securities Exchange Act of 1934.

* * *

RESOLVED, that the officers of the Corporation, and each of them, hereby are authorized and empowered for and on behalf and in the name of the Corporation, to execute, deliver, file and record all such documents and instruments and to take or cause to be taken all such other action which in the judgment of the officers or any of them may be necessary or advisable to effectuate the merger of United-Carr Incorporated into the Corporation and to carry out the terms of the Agreement of Merger between the Corporation and United-Carr Incorporated as amended by the Amendment approved at this meeting, to effectuate the merger of IRC, Inc. into the Corporation and to carry out the terms of the Agreement of Merger between the Corporation and IRC, Inc. as amended by the Amendment approved at this meeting and to carry out each of the foregoing resolutions and the intent and purposes thereof.

* * *

RESOLVED, that the officers of the Corporation hereby are authorized and directed, for and on behalf of the Corporation, to give notice to United-Carr Incorporated ("United") that Exhibit B to the Agreement of Merger dated November 29, 1967 between the Corporation and United as heretofore amended is hereby changed in the following respects:

(a) by deleting the name, title and address of J. H. Kerr;

(b) by changing the title of R. F. Mettler to Executive Vice President and Assistant President;

(c) by adding thereto R. D. DeLauer, Vice President, One Space Park, Redondo Beach, California; and

(d) by changing the title of E. E. Ford to Vice President and General Counsel.

FURTHER RESOLVED, that the officers of the Corporation hereby are authorized and directed, for and on behalf of the Corporation, to re-execute and deliver such Agreement of Merger to confirm the changes described in the resolution next preceding.

FURTHER RESOLVED, that such Agreement of Merger as hereinabove changed hereby is approved and adopted, and that each of the resolutions heretofore adopted by this Board relating to such Agreement of Merger and the merger of United into the Corporation hereby is readopted with respect to such Agreement of Merger as so changed, and that the authority heretofore conferred upon the officers of the Corporation and the Executive Committee of this Board with respect to such Agreement of Merger and such merger shall in all respects apply to such Agreement of Merger as so changed.

* * * * *

EXHIBIT C

RESOLVED, that the President or any Vice President and the Secretary or any Assistant Secretary of the corporation, or any of such officers acting alone, be and they hereby are authorized in the name and on behalf of the corporation and with the corporate seal to execute, acknowledge and deliver to United-Carr Incorporated, a Delaware corporation incorporated in 1968, deeds, assignments of leases and any and all other instruments which the officer or officers executing the same shall deem necessary or advisable, as conclusively evidenced by his or their execution thereof, to convey, assign, transfer to, and vest in, said United-Carr Incorporated all land and real estate and interests in land and real estate of every description in the Commonwealth of Massachusetts, the States of Arkansas, California, Illinois, Indiana, Michigan, Minnesota, Missouri, New Jersey, New York, South Carolina and elsewhere in the United States of America, now or hereafter owned by United-Carr Incorporated, a Delaware corporation incorporated in 1954, after acquisition of the same by the corporation; each such deed, assignment of lease and other instrument to be in such form and to contain such descriptions, terms and provisions as the officer or officers executing the same shall deem necessary or advisable, as conclusively evidenced by his or their execution thereof.

* * * * *

RESOLVED, that the officers of the Corporation hereby are authorized and directed, for and on behalf of the Corporation, to give notice to IRC, Inc. ("IRC") that Exhibit B to the Agreement of Merger dated November 28, 1967 between the Corporation and IRC as heretofore amended is hereby changed in the following respects:

(a) by deleting the name, title and address of J. H. Kerr;

(b) by changing the title of R. F. Mettler to Executive Vice President and Assistant President;

(c) by adding thereto R. D. DeLauer, Vice President, One Space Park, Redondo Beach, California; and

(d) by changing the title of E. E. Ford to Vice President and General Counsel.

FURTHER RESOLVED, that the officers of the Corporation hereby are authorized and directed, for and on behalf of the Corporation, to re-execute and deliver such Agreement of Merger to confirm the changes described in the resolution next preceding.

FURTHER RESOLVED, that such Agreement of Merger as hereinabove changed hereby is approved and adopted, and that each of the resolutions heretofore adopted by this Board relating to such Agreement of Merger and the merger of IRC into the Corporation hereby is readopted with respect to such Agreement of Merger as so changed, and that the authority heretofore conferred upon the officers of the Corporation and the Executive Committee of this Board with respect to such Agreement of Merger and such merger shall in all respects apply to such Agreement of Merger as so changed.

* * * * *

RESOLVED, that Morgan Guaranty Trust Company of New York hereby is appointed and authorized to act as Exchange Agent in New York City for adjustment of fractional interests in shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, resulting from the merger of United-Carr Incorporated ("United") into the Corporation, and that the officers of the Corporation hereby are authorized and directed to take such action, and to authorize and

direct such Exchange Agent to take such action, as such officers may deem necessary or advisable to effect adjustment of such fractional interests as provided in the Agreement of Merger between the Corporation and United.

* * * *

RESOLVED, that Morgan Guaranty Trust Company of New York hereby is appointed and authorized to act as the agent of the Corporation in New York City to make cash adjustments for fractional interests in shares of Serial Preference Stock II and shares of Common Stock resulting from the merger of IRC, Inc. ("IRC") into the Corporation, and that the officers of the Corporation hereby are authorized and directed to take such action, and to authorize and direct such agent to take such action, as such officers may deem necessary or advisable to effect such cash adjustments of fractional interests as provided in the Agreement of Merger between the Corporation and IRC.

23H.

TRW OFFICERS' CERTIFICATE

We, E. E. Ford and P. W. Schuette, a Vice President and the Secretary, respectively, of TRW Inc., an Ohio corporation ("TRW"), pursuant to Article XIV(k) of the Agreement of Merger dated November 28, 1967 (the "Agreement") by and between TRW and IRC, Inc. ("IRC"), do hereby certify that, to the best of our knowledge and belief:

(a) TRW's representations contained in the Agreement were true and correct on the date of the Agreement and (applied without change of specified dates) are true and correct immediately prior to the merger contemplated by the Agreement which is to occur on the date hereof; and TRW has performed and complied with all agreements and conditions required by the Agreement to be performed or complied with by TRW prior to such merger;

(b) Subsequent to the date of the Agreement, there has been no material adverse change in the financial condition, results of operations or business of TRW and its subsidiaries, taken on a consolidated basis, other than changes in the ordinary and usual course of business, and no occurrence or circumstance experienced by them outside of the ordinary and usual course of business which has had or might reasonably be expected to have such a material adverse effect on such financial condition, results of operations or business;

(c) The information provided by TRW for use in the IRC Proxy Statement dated January 3, 1968 (and the related President's letter) and in the letter dated January 23, 1968 from the President of IRC to its stockholders was, at the time of the vote of the IRC stockholders upon the Agreement, not false or misleading in any material respect and did not

then fail to state any fact necessary to make the statements therein not false or misleading in any material respect; and

(d) The Agreement and the consummation thereof have been fully authorized on behalf of TRW by all requisite corporate action.

IN WITNESS WHEREOF, we, the duly authorized officers of TRW, have set our hands hereunto and have caused the seal of TRW to be affixed hereunto this th day of February, 1968.

E. E. Ford, Vice President

P. W. Schuette, Secretary

[CORPORATE SEAL]

IRC OFFICERS' CERTIFICATE

We, Wilson H. Oelkers and Barry R. Spiegel, President and Secretary, respectively, of IRC, Inc., a Delaware corporation ("IRC"), pursuant to Article XV(1) of the Agreement of Merger dated November 28, 1967 (the "Agreement") by and between TRW Inc. ("TRW") and IRC, do hereby certify that, to the best of our knowledge and belief:

(a) The representations of IRC contained in the Agreement (read without regard to knowledge and belief qualifications) were true and correct on the date of the Agreement and (applied without change of specified dates) are true and correct immediately prior to the merger contemplated by the Agreement which is to occur on the date hereof; and IRC has performed and complied with all agreements and conditions required by the Agreement to be performed or complied with by IRC prior to such merger;

(b) Subsequent to the date of the Agreement, there has been no material adverse change in the financial condition, results of operations, business, properties or assets of IRC or any of its subsidiaries other than changes in the ordinary and usual course of their respective businesses, and no occurrence or circumstance experienced by any of them outside of the ordinary and usual course of their respective businesses has had or might reasonably be expected to have such a material adverse effect on such financial condition, results of operations, business, properties or assets;

(c) There is no litigation or proceeding pending or threatened against IRC, any of its subsidiaries, or any of their respective directors or involving the properties or assets of any of the foregoing,

for the purpose of enjoining or preventing the consummation of the Agreement or otherwise claiming that such consummation, or the Agreement, is improper;

(d) IRC has received a ruling by the Internal Revenue Service at least as favorable as that contemplated by Section 13.1 of the Agreement;

(e) At a meeting duly called and held for such purposes, the IRC stockholders have duly adopted the Agreement and approved the transactions contemplated thereby by the affirmative vote of the holders of at least two-thirds of the total number of the outstanding shares of IRC Common Stock in accordance with the applicable provisions of the General Corporation Law of the State of Delaware;

(f) The letter agreements heretofore entered into between TRW and certain stockholders of IRC with respect to certain matters relating to the Securities Act of 1933, as amended, are in full force and effect with no breach or default as to any representation, warranty or agreement contained therein; and, except for the parties thereto, there is no person who might reasonably be considered an "affiliate" of IRC as defined in Rule 133 under said Act; and

(g) The IRC Proxy Statement dated January 3, 1968 (and the related President's letter) and the letter dated January 23, 1968 from the President of IRC to its stockholders, and the information provided by IRC for use in any TRW listing application or other document relating to the merger, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

IN WITNESS WHEREOF, we, the duly authorized officers of IRC, have set our hands hereunto and have caused the seal of IRC to be affixed hereunto this 19th day of February, 1968.

Wilson H. Oelkers, President

[Corporate Seal]

Barry R. Spiegel, Secretary

23J.

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

(216-621-5800)

IN WASHINGTON:
REAVIS, POGUE, NEAL & ROSE
1100 CONNECTICUT AVE. 20036
(202-293-2030)

February 19, 1968

TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Gentlemen:

As your counsel we are familiar with the Agreement of Merger dated November 29, 1967 between TRW Inc. ("TRW") and IRC, Inc. ("IRC"), herein called the "Agreement", providing for the merger of IRC into TRW. The Agreement provides that, at the time the merger becomes effective, each share of IRC Common Stock outstanding immediately prior to such time shall be changed into and become one-third of one share of TRW Common Stock plus one-fourth of one share of TRW Serial Preference Stock II, and further provides that each outstanding option of IRC shall be changed into and become an option to purchase one-third of one share of TRW Common Stock plus one-fourth of one share of TRW Serial Preference Stock II for each share of IRC Common Stock subject to such option immediately prior to the time the merger becomes effective.

We have examined such documents, records and matters of law as we deemed relevant for the purpose of this opinion, including a number of letter agreements relating to Rule 133 of the General Rules and Regulations of the Securities and Exchange Commission issued under the Securities Act of 1933, as amended (the "Act"), which letter agreements have been addressed and delivered to TRW by certain shareholders of IRC.

From the foregoing, we are of the opinion that:

(i) The shares of TRW Common Stock and TRW Serial Preference Stock II to be issued pursuant to the Agreement, including the shares of TRW stock to be issued in the merger and, subject to paragraph (iii), the shares of TRW stock to be issued upon exercise of the aforementioned options, may be issued in compliance with said Act.

(ii) No registration under the Securities Act of 1933, as amended, is required with respect to the issuance of TRW Common Stock and TRW Serial Preference Stock II in the merger since, by reason of said Rule 133, no sale within the meaning of Section 5 of said Act is involved in any such issuance. No registration under said Act is required with respect to the issuance of shares of TRW Common Stock issuable upon conversion of such shares of TRW Serial Preference Stock II, provided that no commission or other remuneration is paid or given directly or indirectly for soliciting the exchange of such shares of Common Stock by TRW with its existing holders of Serial Preference Stock II, since such shares of TRW Common Stock will be exempt from registration under said Act by virtue of the provisions of Section 3(a)(9) thereof.

(iii) A registration statement on Form S-8 has been filed under said Act with respect to the shares of TRW Common Stock and TRW Serial Preference Stock II which will be subject to option pursuant to the aforementioned stock options of TRW into which the outstanding stock options granted by IRC are being changed. It is anticipated that said registration will be effective on or about March 1, 1968, and when said registration becomes effective said shares subject to said options may be issued in compliance with said Act.

Very truly yours,

Jones, Day, Cockley & Reavis

JONES, DAY, COCKLEY & REAVIS

23K.

TRW INC.

EXECUTIVE OFFICES

February 19, 1968

TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Gentlemen:

As General Counsel for TRW Inc. (the "Company"), I am familiar with the proceedings taken and proposed to be taken pursuant to the Agreement of Merger dated November 28, 1967 between the Company and IRC, Inc., a Delaware corporation (the "Agreement"). I have examined the records relating to the Company's organization, including copies of its Articles of Incorporation filed in the office of the Secretary of State of Ohio on June 17, 1916 and all amendments thereto, and certified copies of resolutions adopted by the Directors on November 16, 1967, December 19, 1967 and February 13, 1968 with respect to approval of the merger of IRC, Inc. into the Company and adoption of the Agreement. Under Ohio law no vote of TRW shareholders is required with respect thereto. No action with respect thereto has been taken by the Directors since February 13, 1968.

I have also examined such other documents, records and matters of law as I deem relevant for purposes of this opinion and I have been advised that the Agreement has been filed today in the office of the Secretary of State of Delaware and the office of the Secretary of State of Ohio in accordance with the General Corporation Law of the State of Delaware and Chapter 1701 of the Ohio Revised Code.

Based upon the foregoing, I am of the opinion that:

(i) The representations of the Company set forth in clause (a) of Section 10.1 of the Agreement are correct and the condition set forth in clause (j) of Article XIV of the Agreement has been satisfied; and

(ii) Upon the filings hereinbefore described as having been made, the merger of IRC, Inc. into the Company became effective pursuant to Chapter 1701 of the Ohio Revised Code and, assuming the Common Stock of IRC, Inc. outstanding immediately prior to such merger was fully paid and nonassessable, the shares of the Company's Common Stock and Serial Preference Stock II into which such Common Stock of IRC, Inc. was changed in the merger are (and the shares of the Company's Common Stock into which such shares of Serial Preference Stock II are convertible will be) fully paid and nonassessable.

Very truly yours,

E. E. Ford
General Counsel

23555 EUCLID AVENUE · CLEVELAND, OHIO 44117

23L.

TRW INC.

EXECUTIVE OFFICES

February 19, 1968

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

Gentlemen:

As General Counsel for TRW Inc., an Ohio corporation (the "Company"), I am familiar with the proceedings taken and proposed to be taken pursuant to the Agreement of Merger dated November 28, 1967 between the Company and you (the "Agreement"). I have examined the records relating to its organization, including copies of its Articles of Incorporation filed in the office of the Secretary of State of Ohio on June 17, 1916 and all amendments thereto, and certified copies of resolutions adopted by the Directors on November 16, 1967, December 19, 1967 and February 13, 1968 with respect to approval of the merger of IRC, Inc. into the Company and adoption of the Agreement. Under Ohio law no vote of TRW shareholders is required with respect thereto. No action with respect thereto has been taken by the Directors since February 13, 1968.

I have also examined such other documents, records and matters of law as I deem relevant for purposes of this opinion and I have been advised that the Agreement has been filed today in the office of the Secretary of State of Delaware and the office of the Secretary of State of Ohio in accordance with the General Corporation Law of the State of Delaware and Chapter 1701 of the Ohio Revised Code.

Based upon the foregoing, I am of the opinion that:

(i) The representations of the Company set forth in clause (a) of Section 10.1 of the Agreement are correct and the condition set forth in clause (j) of Article XIV of the Agreement has been satisfied; and

(ii) Upon the filings hereinbefore described as having been made, the merger of IRC, Inc. into the Company became effective pursuant to Chapter 1701 of the Ohio Revised Code and, assuming the Common Stock of IRC, Inc. outstanding immediately prior to such merger was fully paid and nonassessable, the shares of the Company's Common Stock and Serial Preference Stock II into which such Common Stock of IRC, Inc. was changed in the merger are (and the shares of the Company's Common Stock into which such shares of Serial Preference Stock II are convertible will be) fully paid and nonassessable.

Very truly yours,

E. E. Ford

E. E. Ford,
General Counsel

23555 EUCLID AVENUE · CLEVELAND, OHIO 44117

23M.

WHITE AND WILLIAMS

Law Offices
19th Floor Land Title Building
Philadelphia, Pa. 19110
LOcust 3-0771

February 19, 1968

IRC, Inc.
401 North Broad Street
Philadelphia, Pa. 19108

Dear Sirs:

We have examined the records relating to your organization, including copies of your Certificate of Incorporation filed in the Office of the Secretary of State of Delaware on April 17, 1925, and all amendments thereto, and the records of the proceedings taken by the directors and shareholders to date, including the meeting of the directors which convened on October 31, 1967, and reconvened on November 13, 1967, the meetings of the directors on December 22, 1967, January 30, 1968, and February 14, 1968, and the meeting of the stockholders which convened on January 30, 1968, and reconvened on February 14, 1968.

We are familiar with the proceedings taken and proposed to be taken pursuant to the Agreement of Merger dated November 28, 1967, between your Company and TRW Inc. ("the Agreement"). We have also examined such other documents, records and matters of law as we deem relevant for the purposes of this opinion, and we have been advised that the Agreement has been filed today in the Office of the Secretary of State of Delaware and the Office of the Secretary of State of Ohio, in accordance with the General

Corporation Law of the State of Delaware and Chapter 1701 of the Ohio Revised Code.

Based upon the foregoing, we are of the opinion that the Agreement and the consummation thereof have been fully authorized on behalf of your Company by all requisite corporate action, and that upon such filings the merger of your Company into TRW Inc. became effective pursuant to the General Corporation Law of the State of Delaware.

Very truly yours,

WHITE AND WILLIAMS

By Richard C. Bull

Richard C. Bull

23N.

WHITE AND WILLIAMS

Law Offices
19th Floor Land Title Building
Philadelphia, Pa. 19110
LOcust 3-0771

February 19, 1968

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Dear Sirs:

As counsel for IRC, Inc., a Delaware Corporation ("the Company"), we have examined the records relating to its organization, including copies of its Certificate of Incorporation filed in the Office of the Secretary of State of Delaware on April 17, 1925, and all amendments thereto, and the records of the proceedings taken by the directors and shareholders to date, including the meeting of the directors which convened on October 31, 1967, and reconvened on November 13, 1967, the meetings of the directors on December 22, 1967, January 30, 1968, and February 14, 1968, and the meeting of the stockholders which convened on January 30, 1968, and reconvened on February 14, 1968.

We are familiar with the proceedings taken and proposed to be taken pursuant to the Agreement of Merger dated November 28, 1967, between the Company and TRW Inc. ("the Agreement"). We have also examined such other documents, records and matters of law as we deem relevant for the purposes of this opinion, and we have been advised that the Agreement has been filed today in the Office of the Secretary of State of Delaware and the Office of

the Secretary of State of Ohio, in accordance with the General Corporation Law of the State of Delaware and Chapter 1701 of the Ohio Revised Code.

Based upon the foregoing, we are of the opinion that:

1. The Agreement and the consummation thereof have been fully authorized on behalf of the Company by all requisite corporate action.

2. Upon the filings hereinbefore described as having been made, the merger of the Company into TRW Inc. became effective pursuant to the General Corporation Law of the State of Delaware.

3. The representations of the Company set forth in the first two paragraphs of clause (a) of Section 9.1 of the Agreement (except for the last sentence of the first paragraph thereof), in the last sentence of clause (k) of said Section 9.1, and, to the best of our knowledge and belief, in the first two and last sentences of subclause (ii) of clause (d) of such Section 9.1, are correct as of this date.

4. To the best of our knowledge and belief the condition set forth in clause (c) of Article XV of the Agreement has been satisfied.

Very truly yours,

WHITE AND WILLIAMS

By Richard C. Bull

Richard C. Bull

WHITE AND WILLIAMS

Law Offices
19th Floor Land Title Building
Philadelphia, Pa. 19110
LOcust 3-0771

February 16, 1968

E. E. Ford, Esquire
Vice President and General Counsel
TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Dear Mr. Ford:

You have asked for our opinion as to the effect of the pending merger between IRC, Inc. and TRW Inc. upon the Lease between Terminal Commerce Building of Philadelphia, Inc., and International Resistance Corporation (now IRC, Inc.) in view of the provision in paragraph 2 of the latter Lease that "Lessee, under penalty of instant forfeiture, shall not . . . assign . . . this Lease . . . without written consent of the Lessor." In our opinion a merger pursuant to statutory authorization would not constitute an assignment within the meaning of the Lease paragraph quoted.

We are aware that in a decision of a lower court of this state (Feely v. Harwood Electric Company, 22 Luzerne Co. Reports 314 (1923)) the contrary was held. That decision has been cited only once, in the 44 years since it was handed down, by any court of this state, and then by another lower court on an entirely different point. It has been cited by the Superior Court of New Jersey in a case hereinafter referred to with disapproval. The New Jersey Court said, (83 N.J. Superior 125), "No authority was cited for this holding, and it has been subsequently discredited, if not specifically overruled, in its own state [citing, inter alia, Pittsburgh Terminal Coal Corporation v. Potts, infra]." We entirely agree with the quotation from the opinion of the New Jersey Court.

In Pittsburgh Terminal Coal Corporation v. Potts, 92 Pa. Superior Ct. 1, the lessor in a lease merged and thereafter under the terms of a warrant of attorney given to the lessor by the lease confessed judgment against the lessee. The lessee raised the objection that the warrant of attorney did not authorize the confession of judgment in favor of an assignee, but the Superior

Court dismissed this objection upon the ground that the merger was not an assignment.

In Commonwealth v. Willson Products, Inc., 412 Pa. 78, the question was whether a transfer tax was payable on real estate involved in a merger of two corporations under the terms of a statute which taxed a "conveyance" of real estate. The Supreme Court of Pennsylvania held that the merger was not a conveyance but a "consolidation of properties" and was not taxable. In the course of so doing the Supreme Court of Pennsylvania cited with approval the opinions of the New Jersey Superior Court in Segal v. Greater Valley Terminal Corporation, previously referred to herein, at 78 N.J. Superior Ct. 42, 187 A2d 374 and 83 N.J. Superior Ct. 120, 199 A2d 48, wherein it was specifically held that a merger by the lessee was not a breach of a covenant against assignment of the lease.

You have heretofore obtained a letter signed by Benjamin Kaufman as a partner of 401 N. Broad Street Co. in which he agrees on behalf of the partnership that the merger does not constitute an assignment within the meaning of the clause in the Lease quoted in the first paragraph of this opinion. In this connection we have made an examination of the title to ascertain the authority of Mr. Kaufman. There is attached to the original of this opinion an information certificate issued by Commonwealth Land Title Insurance Company disclosing the documents of record pertinent to this Lease. From this, as you will observe, it appears that record title to the air rights of 401 N. Broad Street is in Benjamin Kaufman, Nathan P. Jacobs, Samuel Seaver, Philip Kessler and Arthur S. Mandelbaum under and subject to a mortgage in the principal amount of $6,000,000.00 held by the Bowery Savings Bank created by a predecessor in title. There is of record a lease by an earlier predecessor in title, the lessee's interest under which was last assigned of record to one Albert A. List (we are informed by the managing agent of the building that Mr. List is a nominee of Glen Alden Corporation, but we are not in a position to guarantee this information). The lessor's interest under the lease was assigned to Bowery Savings Bank, no doubt as collateral security for the mortgage of $6,000,000.00 previously mentioned.

There is a sublease, under the original lease above referred to, from an intervening assignee of the first lease to Terminal Commerce Building of Philadelphia, Inc., which was the lessor of International Resistance Corporation, and the lessor's interest under the sublease has also been assigned of record to Mr. List. You will observe that the sublease is subject to two mortgages of record and that the junior of these mortgages is held by Benjamin Kaufman and Nathan P. Jacobs. We are informed by the present managing agent of the building, Richard B. Herman, trading as Richard B. Herman and Company, who is a client of this office

of many years standing, and in whom we have complete confidence, that Benjamin Kaufman and Nathan P. Jacobs, as the sole partners of 401 N. Broad Street Co., are his principals and that they obtained an assignment of the lessor's interest in the lease agreement between Terminal Commerce Building of Philadelphia, Inc., and International Resistance Corporation when Terminal Commerce Building of Philadelphia, Inc., defaulted in the terms of the junior mortgage to Kaufman and Jacobs upon the sublease. However, there is nothing in the public records to disclose this assignment nor to disclose the transfer of the lessee's interest under the sublease to 401 N. Broad Street Co.. No conclusion can be drawn from this latter fact since there is no statutory requirement for such recording. We have observed, however, that a certain Supplemental Agreement dated September , 1964, amending the Lease between Terminal Commerce Building of Philadelphia, Inc., and International Resistance Corporation with regard to electric rates is entered into between IRC, Inc. and Richard B. Herman and Company as agent for 401 N. Broad Street Co., which latter is recited therein to be the assignee of Terminal Commerce Building of Philadelphia, Inc. We have also in the past been involved in certain litigation between 401 N. Broad Street Co. and List wherein all parties assumed that 401 N. Broad Street Co. was in fact the present owner of the right to sublease space in the building in question under and subject to the terms of the other leases and mortgages referred to, and Mr. Herman has informed us that the method of operation at present is for him to deduct from the rents which he collects on behalf of 401 N. Broad Street Co. certain sums which he pays to Mr. List and that Mr. List in turn makes payments to or for account of the larger syndicate of which Messrs. Kaufman and Jacobs are members as the ultimate titleholders.

We observe in passing that the lease from Terminal Commerce Building of Philadelphia, Inc., to International Resistance Corporation has attached to it nondisturbance agreements executed by the larger syndicate as titleholders and also by Massachusetts Mutual Life Insurance Company, a former mortgagee of the air rights whose mortgage has since been satisfied of record.

While,as indicated above, the record title is not in the most satisfactory shape, we are of the opinion, under all of the circumstances recited, that Benjamin Kaufman as a partner in 401 N. Broad Street Co. was the proper person to execute the letter which you hold interpreting clause 2 of the Lease. However, as previously noted, we are of the opinion that under the law of Pennsylvania, regardless of this letter, the merger between IRC, Inc. and TRW Inc. would not constitute a breach of the covenant against assignment contained in clause 2 of the Lease.

Very truly yours,
WHITE AND WILLIAMS
By C. L. Cushmore, Jr.

CLCjr:gs

23P.

Telefax western union Telefax

FLP JONES DAY COCKLEY & REAVIS FEBRUARY 19 1968

DEPARTMENT OF STOCK LIST
NEW YORK STOCK EXCHANGE
11 WALL STREET
NEW YORK NEW YORK

CONFIRMING TELEPHONE ADVICE TO MR HILPL STOP MERGERS OF IRC INC AND UNITED-CARR INCORPORATED INTO TRW INC EFFECTIVE THIS MORNING STOP

TRW INC

BY E E FORD
VICE PRESIDENT

WU 1270 (R8-66)

TRW-MGR-0543

western union

FLP JONES DAY COCKLEY & REAVIS

FEBRUARY 19 1968

W NETHERWOOD
VICE PRESIDENT"
PACIFIC COAST STOCK EXCHANGE
301 PINE STREET
SAN FRANCISCO CALIFORNIA

MERGERS OF IRC INC AND UNITED-CARR INCORPORATED INTO TRW INC
EFFECTIVE THIS MORNING STOP

P W SCHUETTE
SECRETARY
TRW INC

WU 1270 (R8-66)

TRW INC.

EXECUTIVE OFFICES

February 19, 1968

The National City Bank of Cleveland
Corporate Trust Department
623 Euclid Avenue
Cleveland, Ohio 44101

Attention: Mr. T. E. Clarke
Vice President

Morgan Guaranty Trust Company
of New York
Corporate Trust Department
23 Wall Street
New York, New York 10015

Attention: Mr. Edwin McMichael
Assistant Trust Officer

Gentlemen:

The Board of Directors of TRW Inc., an Ohio corporation ("TRW"), at a duly called meeting held February 13, 1968, and the stockholders of IRC, Inc., a Delaware corporation ("IRC"), at an adjourned session on February 14, 1968 of a duly called meeting held January 30, 1968, have approved and adopted an Agreement of Merger dated November 28, 1967 (the "Agreement"), pursuant to the terms of which IRC will be merged into TRW. Under Ohio law, action by the shareholders of TRW is not required.

Pursuant to the Agreement, each outstanding share of Common Stock, par value $0.10 per share, of IRC ("IRC Common") will be changed at the time the merger becomes effective into one-third of one share of TRW Common Stock, par value $2.50 per share ("TRW Common"), plus one-fourth of one share of TRW Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("$4.40 Convertible Preference Stock"). No fractional shares or scrip will be issued, but in lieu thereof TRW will make cash payments (without interest) for such fractions on the basis of $82.50 for a full share of TRW Common and on the basis of $100 for a full share of $4.40 Convertible Preference Stock.

The merger has become effective today by the filing of the Agreement in the Office of the Secretary of State of Ohio following its filing with the Secretary of State of Delaware in accordance with the applicable laws of Ohio and Delaware. As soon as practicable we will furnish you with a copy of the Agreement certified by the Secretary of State of Delaware and the Secretary of State of Ohio.

You have been appointed to act as Transfer Agents for $4.40 Convertible Preference Stock. You previously were appointed as Transfer Agents for TRW Common and your authority in that capacity extends both to the shares of TRW Common which will be issued upon the exchange of IRC Common and to those into which $4.40 Convertible Preference Stock will be convertible.

Enclosed herewith are:

(1) A certified copy of resolutions adopted by the Board of Directors of TRW on November 16, 1967, December 19, 1967, and February 13, 1968, authorizing, among other things, the approval by the officers (including the undersigned) of the form of certificate for $4.40 Convertible Preference Stock, appointing Transfer Agents and Registrars with respect thereto, appointing agents with respect to fractional interests in the TRW stock to be issued in the merger and extending the authority of the Transfer Agents and Registrars for TRW Common.

(2) A specimen certificate for $4.40 Convertible Preference Stock in the form approved by the undersigned officer.

(3) A conformed copy of the Agreement.

(4) An opinion of counsel for TRW as to the merger and related matters.

(5) A copy of a letter dated February 19, 1968, to be sent by The Corporation Trust Company on behalf of TRW to the stockholders of IRC, having attached a Letter of Transmittal and Order Form.

The Corporation Trust Company will mail commencing on February 19, 1968 to each holder of a certificate for IRC Common of record at the close of business on the effective date of the merger a copy of the above-mentioned letter together with registered mail return envelopes. You are instructed and authorized to commence on February 20, 1968 the issuance of certificates for full shares of TRW Common and $4.40 Convertible Preference Stock in exchange for certificates for the presently outstanding shares of IRC Common on the basis of one-third of one share of TRW Common and one-fourth of one share of $4.40 Convertible Preference Stock for each share of IRC Common.

In lieu of issuing certificates for fractions of shares of either TRW Common or $4.40 Convertible Preference Stock to which stockholders of IRC would otherwise be entitled, you are to pay to such

stockholders at the time of issuance of the TRW stock certificates to them the cash equivalent of the fractional interests on the basis of $82.50 for a full share of TRW Common and on the basis of $100 for a full share of $4.40 Convertible Preference Stock.

In accepting certificates for shares of IRC Common for exchange, in issuing certificates for full shares of TRW Common and $4.40 Convertible Preference Stock, and in making cash payments in lieu of fractional interests in such TRW stock, you are directed to follow the instructions on the reverse side of the Letter of Transmittal and Order Form attached to the above-mentioned letter.

The certificates to be mailed to shareholders should be mailed by first-class mail under your blanket surety bond protecting TRW and its agents from loss or liability arising out of the non-receipt or non-delivery of such certificates, except that, if certificates to be included in any one shipment would have a market value exceeding the limits of liability under your blanket surety bond, the shipment should be sent by insured registered mail.

No United States documentary stamp taxes are payable with respect to transactions arising in connection with the merger.

Definitive instructions will be given to you at a later stage with respect to the disposition of the certificates for IRC Common which are surrendered to you.

If you have any questions or require any further information concerning the matters covered by this letter, please write or call our counsel, Messrs. Jones, Day, Cockley & Reavis, Cleveland, Ohio.

Very truly yours,

TRW INC.

By_____
P. W. Schuette, Secretary

TRW INC.

EXECUTIVE OFFICES

February 19, 1968

The Cleveland Trust Company
Corporate Trust Department
Euclid Avenue at East Ninth
Cleveland, Ohio 44101

Bankers Trust Company
Corporate Trust Department
16 Wall Street
New York, New York 10015

Gentlemen:

The Board of Directors of TRW Inc., an Ohio corporation ("TRW"), at a duly called meeting held February 13, 1968, and the stockholders of IRC, Inc., a Delaware corporation ("IRC"), at an adjourned session on February 14, 1968 of a duly called meeting held January 30, 1968, have approved and adopted an Agreement of Merger dated November 28, 1967 (the "Agreement"), pursuant to the terms of which IRC will be merged into TRW. Under Ohio law, action by the shareholders of TRW is not required.

Pursuant to the Agreement, each outstanding share of Common Stock, par value $0.10 per share, of IRC ("IRC Common") will be changed at the time the merger becomes effective into one-third of one share of TRW Common Stock, par value $2.50 per share ("TRW Common"), plus one-fourth of one share of TRW Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("$4.40 Convertible Preference Stock"). No fractional shares or scrip will be issued, but in lieu thereof TRW will make cash payments (without interest) for such fractions on the basis of $82.50 for a full share of TRW Common and on the basis of $100 for a full share of $4.40 Convertible Preference Stock.

The merger has become effective today by the filing of the Agreement in the Office of the Secretary of State of Ohio following its filing with the Secretary of State of Delaware in accordance with the applicable laws of Ohio and Delaware. As soon as practicable after the merger becomes effective we will furnish you with a copy of the Agreement certified by the Secretary of State of Delaware and the Secretary of State of Ohio.

TRW-MGR-0548

You each have been appointed to act as Registrars for $4.40 Convertible Preference Stock. The Cleveland Trust Company previously was appointed as Registrar for TRW Common and its authority in that capacity extends both to the shares of TRW Common which will be issued upon the exchange of IRC Common and to those into which $4.40 Convertible Preference Stock will be convertible.

Enclosed herewith are:

(1) A certified copy of resolutions adopted by the Board of Directors of TRW on November 16, 1967, December 19, 1967, and February 13, 1968, authorizing, among other things, the approval by the officers (including the undersigned) of the form of certificate for $4.40 Convertible Preference Stock, appointing Transfer Agents and Registrars with respect thereto, appointing agents with respect to fractional interests in the TRW stock to be issued in the merger and extending the authority of the Transfer Agents and Registrars for TRW Common.

(2) A specimen certificate for $4.40 Convertible Preference Stock in the form approved by the undersigned officer.

(3) A conformed copy of the Agreement.

(4) An opinion of counsel for TRW as to the merger and related matters.

(5) A copy of a letter dated February 19, 1968, to be sent by The Corporation Trust Company on behalf of TRW to the stockholders of IRC, having attached a Letter of Transmittal and Order Form.

The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York have been instructed and authorized to commence on February 20, 1968 the issuance of certificates for full shares of TRW Common and $4.40 Convertible Preference Stock in exchange for certificates for the presently outstanding shares of IRC Common on the basis of one-third of one share of TRW Common plus one-fourth of one share of $4.40 Convertible Preference Stock for each share of IRC Common. In lieu of certificates for fractions of shares of TRW Common and $4.40 Convertible Preference Stock to which stockholders of IRC would otherwise be entitled,

such banks are to make cash payments for fractional interests on the basis of $82.50 for a full share of TRW Common and on the basis of $100 for a full share of $4.40 Convertible Preference Stock.

You each are hereby instructed and authorized to register certificates for the shares of $4.40 Convertible Preference Stock presented to you, and The Cleveland Trust Company hereby is instructed and authorized to register certificates for TRW Common presented to it, on or after February 20, 1968 for the aforesaid purposes and bearing the counter-signature of either The National City Bank of Cleveland or Morgan Guaranty Trust Company of New York, as Transfer Agent.

Very truly yours,

TRW INC.

By_____
P. W. Schuette, Secretary

TRW INC.

EXECUTIVE OFFICES

February 19, 1968

The Chase Manhattan Bank, N.A.
Corporate Trust Department
1 Chase Manhattan Plaza
New York, New York 10005

Gentlemen:

The Board of Directors of TRW Inc., an Ohio corporation ("TRW"), at a duly called meeting held February 13, 1968, and the stockholders of IRC, Inc., a Delaware corporation ("IRC"), at an adjourned session on February 14, 1968 of a duly called meeting held January 30, 1968, have approved and adopted an Agreement of Merger dated November 28, 1967 (the "Agreement"), pursuant to the terms of which IRC will be merged into TRW. Under Ohio law, action by the shareholders of TRW is not required.

Pursuant to the Agreement, each outstanding share of Common Stock, par value $0.10 per share, of IRC ("IRC Common") will be changed at the time the merger becomes effective into one-third of one share of TRW Common Stock, par value $2.50 per share ("TRW Common"), plus one-fourth of one share of TRW Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("$4.40 Convertible Preference Stock"). No fractional shares or scrip will be issued, but in lieu thereof TRW will make cash payments (without interest) for such fractions on the basis of $82.50 for a full share of TRW Common and on the basis of $100 for a full share of $4.40 Convertible Preference Stock.

The merger has become effective today by the filing of the Agreement in the Office of the Secretary of State of Ohio following its filing with the Secretary of State of Delaware in accordance with the applicable laws of Ohio and Delaware. As soon as practicable after the merger becomes effective we will furnish you with a copy of the Agreement certified by the Secretary of State of Delaware and the Secretary of State of Ohio.

The Cleveland Trust Company and Bankers Trust Company have been appointed to act as Registrars for $4.40 Convertible Preference Stock. You previously were appointed as one of the Registrars for TRW Common, and your authority in that capacity extends both to the shares of TRW Common which will be issued upon the exchange of IRC Common and to those into which $4.40 Convertible Preference Stock will be convertible.

Enclosed herewith are:

(1) A certified copy of resolutions adopted by the Board of Directors of TRW on November 16, 1967, December 19, 1967, and February 13, 1968, authorizing, among other things, the approval by the officers (including the undersigned) of the form of certificate for $4.40 Convertible Preference Stock, appointing Transfer Agents and Registrars with respect thereto, appointing agents with respect to fractional interests in the TRW stock to be issued in the merger and extending the authority of the Transfer Agents and Registrars for TRW Common.

(2) A specimen certificate for $4.40 Convertible Preference Stock in the form approved by the undersigned officer.

(3) A conformed copy of the Agreement.

(4) An opinion of counsel for TRW as to the merger and related matters.

(5) A copy of a letter dated February 19, 1968, to be sent by The Corporation Trust Company on behalf of TRW to the stockholders of IRC, having attached a Letter of Transmittal and Order Form.

The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York have been instructed and authorized to commence on February 20, 1968 the issuance of certificates for full shares of TRW Common and $4.40 Convertible Preference Stock in exchange for certificates for the presently outstanding shares of IRC Common on the basis of one-third of one share of TRW Common plus one-fourth of one share of $4.40 Convertible Preference Stock for each share of IRC Common. In lieu of certificates for fractions of shares of TRW Common and $4.40 Convertible

Preference Stock to which stockholders of IRC would otherwise be entitled, such banks are to make cash payments for fractional interests on the basis of $82.50 for a full share of TRW Common and on the basis of $100 for a full share of $4.40 Convertible Preference Stock.

You are hereby instructed and authorized to register certificates for TRW Common presented to you on or after February 20, 1968 for the aforesaid purposes and bearing the counter-signature of either The National City Bank of Cleveland or Morgan Guaranty Trust Company of New York, as Transfer Agent.

Very truly yours,

TRW INC.

By_____
P. W. Schuette, Secretary

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

(216-621-5800)

IN WASHINGTON:
REAVIS, POGUE, NEAL & ROSE
1100 CONNECTICUT AVE. 20036
(202-293-2030)

194-esf-kam
C-2839

February 19, 1968

The National City Bank
of Cleveland
623 Euclid Avenue
Cleveland, Ohio 44101

Morgan Guaranty Trust Company
of New York
23 Wall Street
New York, New York 10015

The Cleveland Trust Company
Euclid Avenue at East Ninth
Cleveland, Ohio 44101

Bankers Trust Company
16 Wall Street
New York, New York 10015

The Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, New York 10005

Re: TRW - IRC

Gentlemen:

As counsel for TRW Inc., an Ohio corporation ("TRW"), we have examined the records relating to its organization including its Articles of Incorporation filed in the office of the Secretary of State of Ohio on June 17, 1916 and all amendments thereto.

We are familiar with the proceedings taken and proposed to be taken by TRW and by IRC, Inc., a Delaware corporation ("IRC"), in connection with the Agreement of Merger dated November 28, 1967 (the "Agreement") providing for (a) the merger of IRC into TRW and (b) the change of the outstanding shares of Common Stock of IRC into shares of Common Stock of TRW, par value $2.50 per share ("TRW Common"), and of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, without par value ("Series 1 Preference Stock"), of TRW, with adjustment for fractional interests as described in the Agreement.

We have also examined the resolutions adopted by the Board of Directors of TRW on November 16, 1967, December 19, 1967 and February 13, 1968 and by the Board of Directors of IRC on November 13, 1967 and December 22, 1967 with respect to the Agreement and related matters,

an executed copy of the Agreement, the resolutions adopted by the stockholders of IRC at an adjourned session on February 14, 1968 of a special meeting held on January 30, 1968 and such other data as we have deemed relevant for the purposes of this opinion.

Based upon the foregoing, we are of the opinion that:

1. TRW is a corporation duly organized, validly existing and in good standing under the laws of Ohio.

2. Upon the filing of the Agreement in accordance with the laws of Delaware and Ohio: (a) IRC will be merged into TRW, the surviving corporation; (b) the authorized capital of TRW shall continue to be as set forth in the preamble to Article Fourth of Exhibit A to the Agreement; and (c) the outstanding shares of Common Stock of IRC will be changed into shares of TRW Common and Series 1 Preference Stock upon the basis set forth in the Agreement, which shares of TRW Common and Series 1 Preference Stock, when issued in connection with the merger, will be duly authorized, validly issued, fully paid and non-assessable.

3. No registration under the Securities Act of 1933, as amended ("1933 Act"), is required with respect to the issuance of shares of TRW Common and Series 1 Preference Stock of TRW to holders of Common Stock of IRC at the time the merger becomes effective since, by reason of Rule 133 of the General Rules and Regulations of the Securities and Exchange Commission under the 1933 Act, no sale within the meaning of Section 5 of the 1933 Act will be involved.

Very truly yours,

JONES, DAY, COCKLEY & REAVIS

TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

February 19, 1968

To our Shareholders who hold certificates for
COMMON STOCK OF IRC, INC.:

On February 14, 1968, the stockholders of IRC, Inc. ("IRC") approved and adopted the Agreement of Merger dated November 28, 1967 (the "Agreement") providing for the merger of IRC into TRW Inc. ("TRW"). The merger became effective as of the close of business today.

As a result of the merger, each outstanding share of IRC Common Stock ("IRC Common") has been changed into one-third of one share of TRW Common Stock, par value $2.50 per share ("TRW Common"), plus one-fourth of one share of TRW Cumulative Serial Preference Stock II ("$4.40 Convertible Preference Stock"). No fractional shares of TRW Common or $4.40 Convertible Preference Stock will be issued, but cash payments in lieu thereof will be made by the Exchange Agents on behalf of TRW on the basis of $82.50 for a full share of TRW Common and on the basis of $100 for a full share of $4.40 Convertible Preference Stock.

YOUR CERTIFICATES FOR IRC COMMON THEREFORE SHOULD BE EXCHANGED FOR CERTIFICATES REPRESENTING THE NUMBER OF FULL SHARES OF TRW COMMON AND $4.40 CONVERTIBLE PREFERENCE STOCK TO WHICH YOU HAVE BECOME ENTITLED BY REASON OF THE MERGER AND, WHERE APPLICABLE, A CASH PAYMENT IN LIEU OF FRACTIONAL INTERESTS. YOU ARE REMINDED THAT, PURSUANT TO THE AGREEMENT, DIVIDENDS PAYABLE ON SUCH TRW COMMON AND $4.40 CONVERTIBLE PREFERENCE STOCK WILL NOT BE PAID UNTIL YOU HAVE MADE SUCH EXCHANGE. TRW HAS DECLARED AN INTERIM DIVIDEND OF 30¢ PER SHARE ON ITS $4.40 CONVERTIBLE PREFERENCE STOCK PAYABLE MARCH 15, 1968 TO THE FIRST REGISTERED HOLDER OF SUCH STOCK ISSUED IN EXCHANGE FOR IRC COMMON CERTIFICATES.

Please read carefully and follow the instructions on the back of the enclosed Letter of Transmittal and Order Form. If your certificates are sent by mail, we suggest the use of registered mail for your protection. Registered mail envelopes are enclosed for your convenience. You may send your certificates to either of the two Exchange Agents.

YOU ARE URGED TO COMPLETE AND MAIL THE ATTACHED LETTER OF TRANSMITTAL, TOGETHER WITH THE CERTIFICATES FOR YOUR IRC COMMON, IMMEDIATELY IN ORDER TO INSURE THE PROPER RECOGNITION OF YOUR DIVIDEND, CONVERSION AND OTHER RIGHTS AS A HOLDER OF TRW COMMON AND $4.40 CONVERTIBLE PREFERENCE STOCK.

TRW Inc.

P. W. SCHUETTE, Secretary

TRW-MGR-0556

AM8316

LETTER OF TRANSMITTAL AND ORDER FORM

(To Accompany Certificates for Common Stock, Par Value $0.10 Per Share, of IRC, Inc. Surrendered for Exchange)

Before executing, please read carefully the instructions on reverse side, which are made a part hereof.

THE NATIONAL CITY BANK OF CLEVELAND
Exchange Agent
Stock Transfer Department
623 Euclid Avenue
Cleveland, Ohio 44114

or

MORGAN GUARANTY TRUST COMPANY OF NEW YORK
Exchange Agent
Corporate Trust Department
23 Wall Street
New York, New York 10015

Gentlemen:

Enclosed herewith are certificates for Common Stock, par value $0.10 per share, of IRC, Inc. ("IRC Common") numbered as follows (attach extra sheets if additional space is required):

Certificates Nos.	No. of Shares	Certificates Nos.	No. of Shares
		Total Shares	

The enclosed certificates are surrendered to be exchanged, in accordance with the letter dated February 19, 1968, from TRW Inc., for certificates for full shares of TRW Common Stock, par value $2.50 per share ("TRW Common"), and TRW Cumulative Serial Preference Stock II ("$4.40 Convertible Preference Stock") on the basis of one-third of one share of TRW Common and one-fourth of one share of $4.40 Convertible Preference Stock for each share surrendered and, where applicable, cash in lieu of a fractional share on the basis of $82.50 for a full share of TRW Common and on the basis of $100 for a full share of $4.40 Convertible Preference Stock.

Unless this Letter of Transmittal and Order Form is accompanied by written instructions to the contrary from the undersigned, you are directed to issue to the undersigned two single certificates, one for the full shares of $4.40 Convertible Preference Stock and another for the full shares of TRW Common to which the undersigned is entitled upon surrender of the certificates for IRC Common identified above.

Please issue and deliver stock certificates (and check for cash in lieu of fractional share(s), if any) in the name stenciled below unless otherwise indicated in the following boxes (see third paragraph of instructions on reverse):

(Other Registration)

(This space is to be filled in ONLY when certificates and check, if any, are to be ISSUED in a name other than that stenciled below) (TYPEWRITE OR PRINT)

Name

Address

Zip Code

Social Security or Taxpayer Identification No.

(Special Mailing Instructions)

(This space is to be used ONLY if the certificates and check, if any, are to be MAILED to an address other than that stenciled below) (TYPEWRITE OR PRINT)

Name

Address

Zip Code

FOR USE OF EXCHANGE AGENT ONLY—DO NOT WRITE IN THESE SPACES

	Shares Distributable		Price Per Fraction	Amount Check	Shares Issued
	Full	Fraction			
Com.		/3rds	$27.50		
Pref.		/4ths	$25.00		
			Total		

Please Sign and Date

(Signature of Shareholder)

(Date)

Note: If the name and address as stenciled hereon are not correct, note any changes necessary. Please indicate Zip Code.

No. 16012

TRW-MGR-0557

INSTRUCTIONS

Please Read Carefully

This Letter of Transmittal and Order Form should be properly filled in, dated and signed, and, accompanied by certificates for IRC Common, delivered or mailed either to The National City Bank of Cleveland, Exchange Agent, Stock Transfer Department, Post Office Box 5756, Cleveland, Ohio 44101 or to Morgan Guaranty Trust Company of New York, Exchange Agent, Post Office Box 2509, New York, New York 10015. The method of delivery of certificates is at the option and risk of the owner. If they are sent by mail it is suggested that registered mail be used for the owner's protection.

If the certificates for the shares of TRW Common and $4.40 Convertible Preference Stock are to be registered in the same name as that appearing on the face of the certificates for IRC Common surrendered for exchange, no endorsement of the surrendered certificates is necessary.

If the certificates for the shares of TRW Common and $4.40 Convertible Preference Stock are to be registered in a name other than that appearing on the face of the certificates for IRC Common surrendered for exchange, the certificates surrendered must be endorsed or be accompanied by appropriate instruments of assignment and transfer in each case signed in the exact name in which the surrendered certificates are registered. If such certificates are sent to The National City Bank of Cleveland, signatures must be guaranteed by a commercial bank or trust company having an office or correspondent in Cleveland or New York City or by a firm having membership in the New York Stock Exchange or Midwest Stock Exchange. If such certificates are sent to Morgan Guaranty Trust Company of New York, signatures must be guaranteed by a commercial bank or trust company having an office or correspondent in New York City or by a firm having membership in the New York Stock Exchange or the American Stock Exchange Clearing Corporation. If the endorsement is signed by a trustee, attorney, executor, administrator, guardian, or other fiduciary, or by an officer of a corporation, the person executing the endorsement must give his full title in such capacity, and proper evidence of his authority to act in such capacity must be forwarded with the surrendered certificates.

In addition, if the certificates for the shares of TRW Common and $4.40 Convertible Preference Stock are to be registered in a name other than that appearing on the face of the surrendered certificates, and if the IRC Common certificates are surrendered to Morgan Guaranty Trust Company of New York, requisite New York stock transfer tax stamps must be affixed, or funds for the purchase thereof furnished, together with a certificate as to the actual value of the shares transferred. If the surrendered certificates represent shares the ownership of which was transferred after February 19, 1968, the stock transfer taxes should be paid on the basis of a transfer of the TRW Common and $4.40 Convertible Preference Stock to be issued. If such transfer took place on or prior to February 19, 1968, the stock transfer taxes should be paid on the basis of a transfer of the IRC Common surrendered.

TRW INC.

IRC Docket 34

March 14, 1963

COPY

Graham L. Sterling, Esq.
Messrs. O'Melveny & Myers
433 South Spring Street
Los Angeles, California 90013

Dear Graham:

I have your letter of March 12 and its enclosures relating to the IRC - United-Carr curative permit. I agree that we should file the application and accordingly enclose the executed ribbon copy and our check to the order of the Commissioner for $50.00.

Your assistance in this matter is very gratefully appreciated.

Very truly yours,

E. E. Ford
Vice President and General Counsel

EEF:leb
Enclosures (2)

cc Mrs. Naoma Stewart
Messrs. Colburn, Gorman, Schuette, Trevor

IRC [illegible]

LAW OFFICES OF
O'MELVENY & MYERS
433 SOUTH SPRING STREET
LOS ANGELES, CALIFORNIA 90013
TELEPHONE 620-1120
CABLE ADDRESS "MOMS"

JOHN O'MELVENY
HARRY L. DUNN
PIERCE WORKS
HOMER I. MITCHELL
GRAHAM L. STERLING
WILLIAM B. CARMAN
MAYNARD J. TOLL
SIDNEY H. WALL
RICHARD C. BERGEN
DEANE F. JOHNSON
RAY H. LINDMAN
JAMES C. GREENE
WILLIAM W. ALSUP
GEORGE F. ELMENDORF
PHILIP F. WESTBROOK, JR.
RODNEY K. POTTER
CLYDE E. TRITT
E. HARLEY WALTHER
EVERETT B. CLARY
BENNETT W. PRIEST
JAMES E. CROSS
JAMES W. BEEBE
HUGH L. MACNEIL
R. BRADBURY CLARK
BARTON BEEK
RICHARD R. ST. JOHNS
CHARLES G. BAKALY, JR.
WILLIAM W. VAUGHN
RICHARD E. SHERWOOD
PHILIP D. IRWIN
ALLYN O. KREPS
DONALD V. PETRONI
GABRIEL C. DUQUE, JR.
DONN B. MILLER
OWEN OLPIN
DONALD R. HODGMAN
RICHARD S. VOLPERT
JOHN H. RONEY
DOUGLAS F. RICHARDSON
JOHN B. BERTERO, JR.

H. W. O'MELVENY 1885-1941
LOUIS W. MYERS 1927-1960
WILLIAM W. CLARY
PAUL FUSSELL
OF COUNSEL
BEVERLY HILLS OFFICE
9601 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA 90210
TELEPHONE 273-4111
EUROPEAN OFFICE
4, PLACE DE LA CONCORDE
PARIS 8e, FRANCE
TELEPHONE 265 39-33

March
12th
1 9 6 8

OUR FILE NUMBER
849,004

Eugene E. Ford, Esq.
General Counsel
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Dear Gene:

We have been considering the problem raised by the filing of the IRC and United-Carr merger agreements in the East on the morning of February 19 and the issuance of the permit by the California Commissioner of Corporations in the afternoon of the same day. It is my personal opinion that the California courts would hold that the stock issued to the California stockholders of IRC and United-Carr was issued in accordance with the California Corporate Securities Law. I do not know of any authority on the point. I get some comfort from the fact that the sections of the Corporations Code adopted in 1967 providing for the issuance of curative permits provide in Section 25519 that a curative permit shall be effective as of the date upon which the securities authorized thereby were first issued and sold and that the provisions of Section 26100 shall not apply to such securities.

The fact that this section speaks of the "date" upon which the securities were first issued can be taken as an indication that the law does not distinguish between hours of the day. On the other hand, Section 26100 states that securities issued or sold without a permit "then in effect" authorizing the issuance are void. Section 25519 is helpful in its express provision that if a curative permit is issued, Section 26100 shall not apply to such securities.

I discussed the question with John Pennebaker, the

Assistant Commissioner in charge of the Los Angeles office. He thinks and states quite emphatically that he does not believe a curative permit is necessary in our situation, but if TRW wants to file for such a permit, it will be granted.

Under all the circumstances the safest course to follow is undoubtedly to apply for a curative permit. Accordingly, I have drafted and am enclosing original and one copy of such an application. You will note that in the prayer I have asked that the curative permit be effective on February 19 at the time the merger agreements were filed in the East. However, in view of the use of the word "date" in Section 25519, the curative permit will probably use the statutory language.

If you agree that we might as well file the enclosed application, please have it executed on page 3 and verified on page 4 and return it to me for filing. The filing fee is $50, as I compute it, but I am by no means sure that the Commissioner's office will not charge some additional fee. Section 26018, also adopted in 1967, provides that the filing fee for such a permit shall be $50 plus actual expense of giving notice of holding any hearing in connection therewith plus a fee computed in the ordinary way with respect to the securities involved, less any fee previously paid for such a security. Although the Commissioner may hold a hearing in his discretion, I am sure that no hearing will be required in our case, and since the full fee has heretofore been paid for the permit issued on February 19, I don't see how they can charge us more than $50.

Incidentally, I have no pride of authorship and if you want to revise the enclosed application in any respect, don't hesitate to do so.

Sincerely,

Graham

Graham L. Sterling

GLS:zr
Encls.

BEFORE THE
DEPARTMENT OF INVESTMENT
DIVISION OF CORPORATIONS
OF THE
STATE OF CALIFORNIA

In the matter of the application of TRW INC. for a permit authorizing the sale and issuance of securities	File No. 65149LA APPLICATION FOR CURATIVE PERMIT

TO THE HONORABLE COMMISSIONER OF CORPORATIONS
OF THE STATE OF CALIFORNIA:

This application of TRW INC. ("Applicant" herein), an Ohio corporation, respectfully shows:

I.

Under date of January 3, 1968 the Commissioner granted to Applicant a negotiating permit authorizing Applicant to negotiate with stockholders of IRC, Inc. ("IRC"), a Delaware corporation, based in Philadelphia, Pennsylvania, who were residents of California for the issuance of Applicant's stock to them in connection with a proposed merger of IRC into Applicant, and under date of January 10, 1968 the Commissioner granted to Applicant a negotiating permit authorizing Applicant to negotiate with stockholders of United-Carr Incorporated ("United-Carr"), a Delaware corporation, based in Boston, Massachusetts, who were residents of California for the issuance of Applicant's stock to them in connection with a proposed merger of United-Carr into Applicant. Only approximately 3% of the shares of IRC and United-Carr, respectively, were held by residents of California.

II.

On February 13, 1968 Applicant filed applications with the Commissioner for definitive permits to issue its stock to California-resident stockholders of IRC and United-Carr. The applications were dated February 9, 1968, but due to circumstances beyond Applicant's control, the applications were not filed until February 13, 1968. Applicant understands that the Commissioner had no objection to granting the applications, but the delay in filing them made it difficult procedurally to issue a permit (in response to both applications) prior to the afternoon of February 19 -- when it was issued and dated. The parties to the mergers, however, had caused the merger agreements to become effective by making the necessary filings in Delaware and Ohio at the opening of business there on the morning of February 19.

III.

Thus, if the filing of the merger agreements in the East on the morning of February 19 constituted the issuance of Applicant's stock to the California stockholders of IRC and United-Carr, such issuance occurred several hours before the issuance of the Commissioner's permit, but on the same day on which the permit was issued.

Applicant is advised and believes that its stock was issued to the California stockholders upon the mergers in accordance with the California Corporate Securities Law, but in the absence of a decision of a California court on this unusual factual situation, and to remove any question under the California law, Applicant makes this application for a curative permit.

WHEREFORE, Applicant respectfully requests that the Commissioner grant to Applicant an appropriate curative permit authorizing Applicant to issue its securities authorized to be issued by the permit dated February 19, 1968 granted to Applicant, such curative permit to be effective on February 19, 1968 at the time the merger agreements referred to in said permit were filed in the respective offices of the Secretary of State of Ohio and of the Secretary of State of Delaware.

Dated: March 14, 1968.

TRW INC.

By Eugene S. Ford
Its Vice President & General Counsel

O'MELVENY & MYERS, and

Edward L. Merlino
Attorneys for Applicant

433 South Spring Street
Los Angeles, California 90013
620-1120

STATE OF OHIO)
) SS
COUNTY OF OHIO)

EUGENE E. FORD, being first duly sworn, deposes and says:

That the Applicant in the within entitled application is a corporation, and that affiant is an officer thereof, to-wit, its Vice President and General Counsel and makes this verification for and on behalf of said corporation; that affiant has read the foregoing application and knows the contents thereof; that the same is true of his own knowledge, except as to the matters therein stated on information and belief, and as to such matters he believes it to be true.

Eugene E. Ford

Subscribed and sworn to before me
this 14th day of March, 1968.

J. A. Ranallo
Notary Public

J. A. RANALLO, Attorney
NOTARY PUBLIC-STATE OF OHIO
My commission has no expiration date.
Section 147.03 R.C.

TRW

INTEROFFICE CORRESPONDENCE

TO: P. W. Schuette CC: As Listed DATE: December 4, 1967

SUBJECT: IRC Closing - Documents Initialed for Identification FROM: J. M. Lee

R. F. Britton
D. E. Clarke
J. E. Dunlap
E. E. Ford
H. R. Johnson
J. H. Kerr
R. S. Munroe
E. H. Reading
L. B. Trevor

Herewith for your permanent files are the documents listed below, all of which have been initialed for identification by IRC counsel (in most cases G. C. Dragonetti). They are listed by schedules referred to in the contract and set forth in the Green Book delivered to you contemporaneously. I have also indicated the Corporate Staff (Cleveland) reviewer by initials.

Schedule II — Civil Consent Decree No. 2565. (JHK)

Schedule III — (RFB) - Real Property
1. Burlington lease
2. Vega Baja (Hycor) lease
3. Philadelphia 2/2/61 including rider and Supplemental Agreements of August 1, 1962 and September 1964.
4. West Lynn 11/6/59, amendment of 6/19/64 and notice to extend term of 6/27/66.
5. St. Petersburg 7/2/64, assignment of October 1966, and amendment of 11/30/66.

Schedule V (JML) — Contracts and Commitments
A. Haddon Tool and Manufacturing Company Agreement of November 1966.
(DEC) B. 1. Standard Form Volume Discount Agreement.
2. Special Forms of Volume Discount Agreement.
(a) GM
(b) North American
(c) Radio Corporation
(d) Western Electric
3. Standard Volume Purchase Agreement.
4. Deviations from Standard Volume Purchase Agreement.
(a) G. E.
(b) General Dynamics
(c) Burroughs

TRW-MGR-0566

(RSM) D. 1. Pension Plans:

(a) IRC Union Employees Retirement Plan (as amended through Amendment No. 8, together with Amendment Nos. 9-11).

(b) IRC St. Petersburg Hourly Employees Retirement Plan.

(c) IRC Operating Division Pension Plan (together with Amendment Nos. 1-4).

(d) IRC Non-Contributory Salaried Employees Retirement Plan (as amended through Amendment No. 10, together with Amendment Nos. 11 and 12).

(e) IRC Contributory Bi-Weekly Salaried Employees Retirement Plan (as amended through Amendment No. 7).

(f) Pension Plan covering Holyoke salaried employees, embodied in Group Annuity Contract No. GR-1555, issued to Holyoke by Connecticut General Life Insurance Company.

2. Agreements Relating to Funding of Pension Plans:

(a) Deposit Administration Contract Number GA-2505 with State Mutual Life Assurance Company of America.

(b) Deposit Administration Contract Number GA-2505A with State Mutual Life Assurance Company of America.

(c) Deposit Administration Contract Number GA-2505B with State Mutual Life Assurance Company of America.

(JED) 3. Profit Sharing or Bonus Plans:

(a) IRC Profit-Sharing Bonus Plan for Top Management (as in effect October 9, 1967).

(b) IRC Supervisory Bonus Plan (as amended through June 20, 1967).

(c) IRC Salesman's Incentive Plan (1964) together with Amendment No. 1.

4. IRC Post-Employment Benefit Plan together with amendment to Section 1.3 thereof and appendix I (contract form of July 1962).

(PWS) 5. IRC Qualified Stock Option Material

(a) Plan

(b) 4/18/67 Prospectus

(c) Contract 5/3/65 edition

(d) Contract 4/26/66 edition

(JED) E. Employee Agreements

1. Oelkers contract 4/15/63
2. Slocum contract 10/14/59
3. Andrews contract 7/1/53
4. Klion contract 12/5/66
5. Marsten contract 2/15/60
6. C. Weyl contract 1/29/60
7. Contracts under Post Employme[illegible]nefit Plan.
   (a) E. S. Weyl contract 10/3[illegible]
   (b) E. A. Stevens contract 1[illegible]62
   (c) J. B. Henry contract 4/2[illegible]

(HRJ) 8. Collective Bargaining Agreeme[illegible]

   (a) Agreement with Radio Acc[illegible]y Workers Local 105, IUE-AF[illegible]O covering hourly employees [illegible] Philadelphia and Downington, [illegible] Agreement expires March 31, 19[illegible].
   (b) Agreement with Local 197[illegible] ter-national Brotherhood of E[illegible]rical Workers, AFL-CIO covering [illegible]rly employees at St. Petersb[illegible] Florida. Agreement expires August [illegible]. 1968.
   (c) Agreement with Local 233, [illegible]ter-national Union of Electri[illegible]. Radio and Machine Workers, AFL-CIO, covering hourly empl[illegible]s of the Semiconductor Divn., [illegible], Mass. Agreement expires June 3[illegible]68.
   (d) Agreement with Internatio[illegible]l Associ-ation of Tool Craftsman, National Federation of Independent Unions covering toolmakers at Burlington, Iowa. Agreement expires May 31, 1968.
   (e) Agreement with Local 1109, International Union of Electrical, Radio and Machine Workers, AFL-CIO covering employees in the Maintenance Dept. at Burlington, Iowa. Agreement expires July 31, 1968.
   (f) Agreement between Holyoke Wire and Cable Corporation and the Holyoke Wire and Cable Employees Association covering hourly employees at Holyoke, Mass. Agreement expires February 14, 1970. There is a wage reopener in February, 1969.

(EHR) 9. Consultants Agreements:

   (a) Pennsylvania State University
   (b) Mechanical Product Development Corporation - John G. Lord
   (c) Joseph R. Levitt

(d) Teleconomy National, Inc.
(e) University of Pittsburgh Knowledge Availability Systems Center
(f) Lionel D. Edie & Co.
(g) General Electric Co.
(h) IIT Research Institute Proposal No. 66-162C
(i) G. V. Planer, Ltd. - Three Consultant Agreements of 1/16/67
(j) Stanford Research Institute Long Range Planning Service
(k) Arthur D. Little, Inc.
(l) G. V. Planer, Ltd. of 4/1/66
(m) James Flett, Inc.
(n) Gray & Rogers, Inc.
(o) G. V. Planer, Ltd. (written explanation of agreement only)(Prior to 1963)
(p) Spindletop Research, Inc.
(q) National Electric Service Co.

(DEC) G. 1. Standard Form Mfg's Rep.
2. New MID Agreement
3. Old MID Agreement

(RHP) H. Leases Personal Property
(a) General Electric equipment use agreement dated December 9, 1966 and modifying letter of November 2, 1966.
(b) Equipment lease of April 23, 1964 with AMP.

(EHR) I. 1. License Agreements:
(a) Foreign
(1) International Resistance Company (Australasia) PTY, Limited (Australia) Manufacturing license agreement and engineering assistance agreement dated September 6, 1960.
(2) Renfrew Electric Company Ltd. (Canada). License agreement dated January 1, 1960, supplemental agreement dated April 7, 1960 and supplemental agreement dated March 1, 1966.
(3) Vitrohm Electronics Industriaktieselskab (Denmark). General license agreement dated January 1, 1960, and supplemental agreement dated May 17, 1961.
(4) Deutsche Vitrohm GmbH & Co., Kommanditgesellschaft (Germany). General license agreement dated January 1, 1960 and supplemental agreement dated May 17, 1961.

(5) Dubilier Condenser Co. (1925) Ltd., (Great Britain). General license agreement dated January 1, 1960.
(6) Neohm (Italy). General license agreement dated December 31, 1959.
(7) Soc. P. Az. Ezio Selva (Italy). License agreement for plated wire dated December 8, 1964.
(8) Tama Electric Company Limited (Japan). General license agreement dated July 12, 1960.
(9) Ohmic (Mexico). General license agreement dated July 20, 1960, supplemental agreement dated September 29, 1965, and supplemental agreement dated December 17, 1966.
(10) Condumex, S.A. (Mexico). License Agreement for plated wire dated December 8, 1964.

(b) United States
(1) Angstrohm Precision Incorporated. Patent license agreement dated July 16, 1962.
(2) Ward Leonard Electric Company. License agreement dated January 14, 1960 and supplemental agreement dated April 1, 1967.
(3) Electra Manufacturing Company. License agreement dated November 1, 1957 and supplemental agreement dated December 31, 1966.
(4) Components Handling Corporation. License agreement dated March 30, 1962 and supplemental letter dated September 28, 1964.
(5) Bowmar Instrument Corporation - Agreement dated July 1, 1967.

(c) License Agreements - IRC Inc., Licensee
(1) Western Electric Company, Inc. License agreement dated January 1, 1967.
(2) Corning Glass Works. License agreement dated August 24, 1959.
(3) E. I. du Pont de Nemours and Company. License agreement dated January 28, 1963.
(4) Allen-Bradley Company. License Agreement dated February 3, 1964.

(JML) J. Contracts Not in Usual Course of Business
1. Robinson-Halpern Agreement of 11/7/67 with respect to payment of indebtedness to IRC by issuance of shares.

Additional Items -
1. Oelkers letter agreement with Philco dated May 1, 1963.
2. Lehman Brothers letter agreement dated October 9, 1967.
3. Holyoke-IRC agreement dated March 27, 1967, and related papers including:
   (a) letter from Philadelphia National Bank dated April 26, 1967.
   (b) Escrow agreements of April 26, 1967, and
   (c) Investment letter signed by each shareholder listed in the letter of April 26th from the Philadelphia National Bank.

J. M. Lee

JML:sd

Attach.

IRC

TRW

INTEROFFICE CORRESPONDENCE

TO: P. W. Schuette

CC: E. E. Ford
J. H. Kerr
R. J. Leaver
L. B. Trevor

DATE: December 4, 1967

SUBJECT: IRC Closing

FROM: J. M. Lee

In connection with the sign-off of certain schedules as of November 28th, I deliver to you herewith for your permanent files:

1. List of IRC shareholders at the close of business on October 20, 1967, certified to by The Corporation Trust Company and initialed for identification by E. S. Weyl on November 28, 1967.

2. Brown Book containing financial statements of IRC and including treasurers certificate signed by Stanley R. Klion on November 28, 1967.

3. Green Book consisting of schedules initialed for identification by E. S. Weyl on November 28, 1967, as follows:

   I. Ownership of Shares (Initialed Schedule in 1. above)
   II. Claims, etc.
   III. Real Property
   IV. Advances to Officers, etc.
   V. Contracts and Commitments
   VI. Patents, etc.
   VII. Insurance, and Articles & By-Laws

I am also forwarding to you by separate memo of even date a list of documents initialed for identification by IRC counsel (in most cases G. C. Dragonetti) as of November 28th.

J. M. Lee

JML:sd

Attach.

TRW-MGR-0572

IRC 1284
26

LISTING APPLICATION TO
NEW YORK STOCK EXCHANGE

A-25412
February 13, 1968

TRW INC.

409,534 SHARES OF CUMULATIVE SERIAL PREFERENCE STOCK II, $4.40 CONVERTIBLE SERIES 1

($4.40 Convertible Preference Stock Without Par Value)

546,045 ADDITIONAL SHARES OF COMMON STOCK TO BE ISSUED IN CONNECTION WITH MERGER OF IRC, INC. INTO TRW INC. AND RELATED TRANSACTIONS

450,488 ADDITIONAL SHARES OF COMMON STOCK RESERVED FOR ISSUANCE UPON CONVERSION OF $4.40 CONVERTIBLE PREFERENCE STOCK

Number of shares issued as of December 31, 1967 Common Stock (including 592,172 treasury shares):	Number of shareholders of record as of December 31, 1967:
10,808,486	24,324

DESCRIPTION OF MERGER

Pursuant to an Agreement of Merger dated November 28, 1967 between TRW Inc. and IRC, Inc. and subject to the satisfaction of the terms and conditions contained therein, IRC will be merged into TRW. TRW will be the surviving corporation and will continue its corporate existence as an Ohio corporation. On the effective date of the merger, each outstanding share of IRC Common Stock will be changed, by virtue of the merger and without further action by the holder thereof, into one-fourth share of TRW $4.40 Convertible Preference Stock and one-third share of TRW Common Stock. Each share of TRW $4.40 Convertible Preference Stock will be entitled to preferred dividends of $4.40 a year, and will initially be convertible into 1.1 shares of TRW Common Stock. Only whole shares of TRW stock will be issued, and cash will be paid in lieu of fractional shares on the basis of $100 per share of TRW $4.40 Convertible Preference Stock and $82.50 per share of TRW Common Stock (the market price of TRW Common Stock on October 3, 1967, the day the exchange ratio was agreed upon subject to Board approval).

Reference is made to the IRC Proxy Statement dated January 3, 1968 and supplemental material dated January 23, 1968 which is attached hereto and made a part hereof for complete information concerning the merger, including a description of the business and properties of TRW and IRC, information concerning the proposed merger of United-Carr Incorporated into TRW, financial statements of TRW, IRC and United-Carr and descriptions of the TRW $4.40 Convertible Preference Stock and TRW Common Stock.

On the effective date of the merger, TRW will assume all outstanding stock options of IRC (16,975 shares of IRC Common Stock were reserved for these options) by substituting for each option to purchase shares of IRC Common Stock an option to purchase the number of shares of TRW $4.40 Convertible Preference Stock and TRW Common Stock into which such shares of IRC Common Stock covered by the option will be changed.

This listing application covers (a) the maximum number of shares of TRW $4.40 Convertible Preference Stock and Common Stock which may be issued to the stockholders of IRC on the effective date of the merger, (b) the maximum number of shares of TRW $4.40 Convertible Preference Stock and Common Stock which may be issued upon the exercise of the IRC stock options to be assumed by TRW pursuant to the Agreement, and (c) the number of shares of TRW Common Stock which will be reserved for issuance upon conversion of the TRW $4.40 Convertible Preference Stock covered by this application.

As set forth on Page 13 of the IRC Proxy Statement, the merger of IRC and the proposed merger of United-Carr are considered to be poolings of interests for accounting purposes. Therefore, under generally accepted accounting principles, TRW would expect to carry forward in its financial statements the assets and liabilities of IRC and United-Carr at their book values, and to carry forward the retained income of each company.

RECENT DEVELOPMENTS

There have been no significant developments affecting TRW or its business, notice of which has not been released to the public.

AUTHORITY FOR ISSUANCE

The Agreement has been approved by the Board of Directors of TRW at meetings held on November 16, and December 19, 1967 and February 13, 1968. Under Ohio law no vote of the TRW shareholders is required. Amended Articles of Incorporation of TRW creating the $4.40 Convertible Preference Stock were adopted by the TRW Directors on December 19, 1967 and became effective February 9, 1968 upon filing with the Secretary of State of Ohio. The merger will become effective upon the filing of the Agreement in accordance with the laws of Ohio and of Delaware.

OPINION OF COUNSEL

The opinion of Jones, Day, Cockley & Reavis, 1750 Union Commerce Building, Cleveland, Ohio 44115, counsel for TRW, filed in support of this application, is to the effect that (a) the shares of TRW for the listing of which this application is being made will be, upon issuance as set forth herein, duly authorized, validly issued, fully paid, and nonassessable; (b) no personal liability will attach to the holders of such shares under the laws of Ohio, in which TRW is incorporated and in which it maintains its principal place of business; (c) no registration is required under the Securities Act of 1933 ("1933 Act"), with respect to the issuance of shares of TRW $4.40 Convertible Preference Stock and TRW Common Stock to IRC stockholders when the merger becomes effective since, by reason of Rule 133 of the General Rules and Regulations of the Securities and Exchange Commission, no sale within the meaning of Section 5 of the 1933 Act will be involved; (d) assuming that no commission or other remuneration is paid to solicit conversion of TRW $4.40 Convertible Preference Stock issued at the time the merger becomes effective, the shares of TRW Common Stock issuable upon such conversion will be exempt from registration under the 1933 Act by virtue of the provisions of Section 3(a) (9) of the 1933 Act; and (e) no further application for registration of the additional shares of TRW Common Stock issuable to IRC stockholders when the merger becomes effective or upon conversion of TRW $4.40 Convertible Preference Stock is required under the Securities Exchange Act of 1934 ("1934 Act"), by reason of Rule 12d1-1 of the General Rules and Regulations of the Securities and Exchange Commission.

TRW has filed a registration statement under the 1933 Act covering the shares of its $4.40 Convertible Preference Stock and Common Stock deliverable upon the exercise of options granted by IRC and to be assumed by TRW pursuant to the Agreement (and the shares of Common Stock into which such $4.40 Convertible Preference Stock will be convertible). Such registration statement is expected to become effective on or about the effective date of the merger.

TRW has filed an application on Form 8-A for the registration of the $4.40 Convertible Preference Stock under the 1934 Act. When such registration has become effective, the $4.40 Convertible Preference Stock will be duly registered under the provisions of the 1934 Act. Until such registration has become effective, the $4.40 Convertible Preference Stock will be entitled to a temporary exemption from the provisions of Section 12(a) of the 1934 Act by reason of Rule 12a-5 of the General Rules and Regulations of the Securities and Exchange Commission under the 1934 Act.

GENERAL INFORMATION

The Transfer Agents for the $4.40 Convertible Preference Stock will be The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York; the Registrars will be The Cleveland Trust Company and Bankers Trust Company.

The Transfer Agents for the Common Stock are The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York; the Registrars are The Cleveland Trust Company and The Chase Manhattan Bank, N.A.

TRW INC.
By E. E. FORD
Vice President

The New York Stock Exchange hereby authorizes the listing of the following upon official notice of issuance:

405,290 shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, without par value, of TRW Inc. upon effectiveness of Amendment to Articles of Incorporation and merger of IRC, Inc. into TRW Inc.;

546,045 additional shares of Common Stock, $2.50 par value, of TRW Inc. upon effectiveness of merger of IRC, Inc.;

4,244 additional shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1, pursuant to exercise of stock options granted by IRC, Inc. and assumed by TRW Inc.; and

450,488 additional shares of Common Stock upon conversion of Cumulative Series Preference Stock II, $4.40 Convertible Series 1,

as hereinabove set forth, making a total of 409,534 shares of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 and 13,330,972 shares of Common Stock authorized to be listed.

PHILLIP L. WEST, *Director*
Department of Stock List

ROBERT W. HAACK, *President*
New York Stock Exchange

TRW-MGR-0575

IRC, Inc.

401 North Broad Street

Philadelphia, Pennsylvania 19108

January 23, 1968

To Our Stockholders:

Our Proxy Statement dated January 3, 1968 referred to a proposed merger of United-Carr Incorporated into TRW Inc. A meeting of the United stockholders to vote on the United merger has now been called for February 15, 1968 and a Proxy Statement is being distributed to the United stockholders.

When our Proxy Statement was mailed to you, we did not have available figures showing the backlog of orders of your Company and of TRW as of the year-end. Year-end backlog figures and delivery schedules of TRW have since been compiled and are included in the Proxy Statement of United and in the Prospectus which is being distributed to the stockholders of Hazleton Laboratories Incorporated in connection with the proposed acquisition by TRW of shares of Hazleton. The proposed Hazleton transaction is also referred to in our Proxy Statement of January 3. We are therefore now in a position to submit to you the attached information relating to the estimated backlogs of orders both of TRW and IRC and an estimate of the amount of the respective backlogs at December 31, 1967 which may be delivered in 1968 and 1969. **In order to allow ample time for this information to reach all stockholders, the meeting on January 30 will be recessed until 1:30 P.M. (Eastern Standard Time) on February 14, 1968, to be held at the same place, and a vote will not be taken until that time.**

We wish to remind you that the approval of the proposed merger with TRW requires the affirmative vote of at least two-thirds of the outstanding shares of the Common Stock of IRC. We have had a gratifying return of Proxies in response to our letter of January 3. If you have not already sent in your Proxy, we earnestly hope that you will, whether your holding is large or small. A Proxy and return envelope are enclosed herewith. If you have previously sent in your Proxy, it will be voted as indicated, unless revoked before it has been voted. If more than one Proxy is received from you, the Proxy bearing the latest date will be voted.

I would emphasize that, as pointed out in the Proxy Statement, your management recommends a vote FOR the proposed merger.

Thank you for your cooperation.

With best wishes.

Sincerely,

Wilson H. Oelkers,
President

TRW-MGR-0576

INFORMATION RELATING TO BACKLOGS OF IRC, INC. AND TRW INC.

The backlog of orders of TRW's domestic and Canadian operations is estimated to have been $383,000,000 at December 31, 1965, $538,000,000 at December 31, 1966, and $537,000,000 at December 31, 1967, of which it is estimated that the direct or indirect Government business accounted for $247,000,000, $287,000,000 and $349,000,000, respectively. The preparation and interpretation of TRW's backlog figures involves a substantial amount of estimating, forecasting and the application of commercial judgment, particularly with respect to customer requirements contracts and blanket orders where quantities have not been specified, and with respect to long-term contracts of a cost-reimbursement or incentive nature. Also, most of TRW's sales contracts are subject to partial or complete termination by the customer. Subject to various qualifications, including those set forth herein, and assuming no terminations or changes and completion of all the year-end orders in the normal course, TRW estimates that approximately 83% of the estimated December 31, 1967 backlog may be delivered in 1968, 14% in 1969 and 3% in 1970. There is no certainty as to whether or when or to what extent the backlog of TRW will be translated into sales, nor can the ratio of future Government direct and indirect sales to other sales be determined from backlog estimates.

In the case of IRC, the year-end backlog of orders at December 31, 1967 is estimated to have been approximately $9,300,000 as compared with approximately $14,300,000 at December 31, 1966. IRC estimates that approximately 28% of its backlog at December 31, 1966 and 31% of its backlog at December 31, 1967 were for Government end use. The reasons for the recent decline in IRC's sales are set forth on the bottom of page 10 of our Proxy Statement. Subject to the fact that our backlog involves estimating, forecasting and the application of commercial judgment, and the uncertainty as to whether or when or to what extent our backlog will be translated into sales, we currently anticipate that substantially all of such orders would be shipped during 1968.

It is inappropriate to make a comparsion of the backlogs estimated by TRW with those estimated by IRC. The two companies have quite different businesses and are believed to have followed different procedures in estimating backlogs.

TRW-MGR-0577

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

January 3, 1968

To Our Stockholders:

Attached to this letter are a notice and proxy statement for a special meeting of stockholders to be held on January 30, 1968, to vote upon the merger of this company into TRW Inc.

The merger agreement, entered into upon the authority of the Boards of Directors of both companies and subject to your approval, provides for the issuance by TRW Inc. of one-fourth share of Serial Preference Stock II and one-third share of Common Stock in exchange for each share of IRC Common Stock. Such Preference Stock is entitled to annual cumulative dividends of $4.40 per share and is convertible into 1.1 shares of TRW Common Stock (or 2.2 shares if the proposed 2-for-1 split of TRW Common Stock becomes effective). If the proposed stock split is effective before the merger, TRW would issue the same amount of such Preference Stock but two-thirds of a share of Common Stock instead of one-third.

TRW Inc. is a long-established, broadly diversified and growing company with an excellent reputation in its principal chosen fields of electronics, aerospace and defense systems, and automotive and aircraft parts.

Our Board believes that the merger will benefit IRC stockholders and IRC employees because of such factors as the wide product diversification, strong research facilities, management skills, and size of TRW.

Lazard Frères & Co., the investment banking firm retained by IRC to assist it in negotiations, has expressed the belief that, in the light of its knowledge of IRC's operations as amplified by discussions with IRC's management, the exchange offer is a fair and equitable one for IRC stockholders. Lazard Frères & Co. did not express an opinion on the business aspects or future prospects of the proposed merger, which was beyond the scope of its engagement.

The affirmative vote of two-thirds of the outstanding shares of IRC Common Stock is necessary for approval of the merger. We urge you to sign and return the enclosed proxy as promptly as possible.

Sincerely,

Wilson H. Oelkers,
President

IRC, Inc.

401 N. Broad Street

Philadelphia, Pennsylvania 19108

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

January 30, 1968

To the Stockholders of IRC, Inc.:

A special meeting of the stockholders of IRC, Inc. will be held in the Assembly Room of The Philadelphia National Bank, Broad and Chestnut Streets, Philadelphia, Pennsylvania, on January 30, 1968, at 10.30 A.M. (Eastern Standard Time), for the following purposes:

1. To consider and act upon a proposal to approve and adopt an Agreement of Merger, in substantially the form set forth as Appendix I to the attached Proxy Statement, providing for the merger of IRC, Inc. into TRW Inc.

2. To transact such other business relating to the foregoing proposal as may properly come before the meeting or any adjournment thereof.

Only stockholders of record at the close of business on December 4, 1967, will be entitled to vote at the meeting or any adjournment thereof.

By order of the Board of Directors,

Barry R. Spiegel
Secretary

January 3, 1968

Stockholders are urged to SIGN, DATE, AND MAIL the enclosed Proxy promptly in the accompanying envelope. No postage is required if mailed in the United States. The Proxy is revocable on written notice to the Secretary of IRC at any time before it has been voted.

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IRC, Inc.

PROXY STATEMENT

SPECIAL MEETING OF STOCKHOLDERS

January 30, 1968

PURPOSE OF THE MEETING

This Proxy Statement is furnished in connection with the solicitation by management of proxies for use at the Special Meeting of Stockholders to be held on January 30, 1968, and at any adjournment thereof. Action will be taken at the meeting upon the proposed merger of IRC, Inc. ("IRC") into TRW Inc. ("TRW").

THE MERGER

The Boards of Directors of IRC and TRW have approved an Agreement of Merger dated November 28, 1967 (the "Agreement"), providing for the merger of IRC with and into TRW, an Ohio corporation, which is to be the surviving corporation. A copy of this Agreement is attached as Appendix I to this Proxy Statement. If the merger becomes effective, TRW will acquire the assets and assume the liabilities of IRC.

The Board of Directors of IRC recommends a vote *FOR* the proposed merger, believing that it is in the best interests of IRC and its stockholders and employees for the reasons set forth herein and in the attached letter from the President of IRC.

Change of Securities

On the effective date of the merger, each outstanding share of IRC Common Stock will be changed, by virtue of the merger and without further action by the holder thereof, into one-fourth share of TRW Cumulative Serial Preference Stock II, Series 1 or Series 2 ("TRW $4.40 Convertible Preference Stock"), and one-third share of TRW Common Stock. Each share of TRW $4.40 Convertible Preference Stock will be entitled to preferred dividends of $4.40 a year, and will be convertible into 1.1 shares of TRW Common Stock (or 2.2 shares if the proposed 2-for-1 split of TRW Common Stock becomes effective). If the proposed stock split is effective before the merger, TRW would issue the same amount of such Preference Stock but two-thirds of a share of Common Stock instead of one-third. See "**Proposed TRW Action**", on page 3.

The annual dividend rate on TRW $4.40 Convertible Preference Stock is $4.40, or $1.10 per one-fourth share. In 1967, TRW paid on its Common Stock dividends aggregating $1.60 per share, or 53⅓¢ per one-third share. If, however, such Preference Stock were converted into TRW Common Stock, in 1967 the dividend on such Common Stock resulting from the conversion of one-fourth share of such Preference Stock would have been 44¢, in addition to the dividend of 53⅓¢ per one-third share of Common Stock to be initially issued in the merger, or a total of 97⅓¢.

Descriptions of TRW $4.40 Convertible Preference Stock and TRW Common Stock are set forth under "**DESCRIPTION OF TRW SERIAL PREFERENCE STOCK II**" and under "**DESCRIPTION OF TRW COMMON STOCK**", commencing on page 23 and page 30, respectively. Holders of IRC Common Stock have no pre-emptive rights and no cumulative voting rights with respect to IRC Common Stock.

The terms on which IRC Common Stock will be changed into TRW stock are considered fair and equitable by the IRC Board of Directors. Lazard Frères & Co., the investment banking firm retained by IRC to assist it in negotiations, has also expressed the belief that the exchange offer of TRW stock is, in the light of its knowledge of IRC's past and present operations as amplified by discussions with its management, a fair

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and equitable one to the IRC stockholders. The merger terms are the result of arm's-length negotiations between representatives of IRC and TRW, in the course of which many factors were considered by IRC, including the market prices of the stocks of each company, their businesses, assets, earnings, dividends and prospects, and other aspects.

It is anticipated that all shares of TRW stock to be issued in connection with the merger will be listed, subject to notice of issuance, on the New York Stock Exchange, and that TRW Common Stock to be issued in connection with the merger will also be so listed on the Midwest, Philadelphia-Baltimore-Washington and Pacific Coast Stock Exchanges.

The shares of capital stock of TRW outstanding immediately prior to the effective date of the merger will remain outstanding and unchanged by the merger.

Exchange of Stock Certificates

Detailed instructions with respect to surrendering and exchanging IRC stock certificates for TRW stock certificates will be sent to IRC stockholders promptly after the merger. Only whole shares of TRW stock will be issued, and cash will be paid in lieu of fractional shares on the basis of $100.00 per share of TRW $4.40 Convertible Preference Stock and $82.50 per share of TRW Common Stock (the market price of TRW Common Stock on October 3, 1967, the day the exchange ratio was agreed upon subject to Board approval). Until an outstanding IRC stock certificate is so surrendered, no dividend payable to holders of record of TRW stock as of any date subsequent to the time the merger becomes effective will be paid with respect to such outstanding certificate, but upon such surrender there will be paid to the record holder of the certificates of TRW stock issued in exchange therefor, the dividends (without interest) that have theretofore become payable with respect to the shares of TRW stock represented by said certificates issued upon such surrender and exchange.

Business After the Merger

The merger will vest all the business, property, assets and rights of IRC in TRW which will become liable for all the debts, liabilities and obligations of IRC. It is contemplated that the business of IRC will be operated after the merger under IRC's present management as a separate division of TRW. It is also contemplated that on the date the merger becomes effective, Wilson H. Oelkers, President and a Director of IRC, will become a Vice President of TRW.

TRW has entered into an Employment Contract with Wilson H. Oelkers, President of IRC, and into a Consulting Contract with Edward S. Weyl, Chairman of the Board of IRC, which are described on page 22. The effectiveness of both agreements is contingent upon the merger becoming effective. Options outstanding at the time the merger becomes effective with respect to shares of IRC stock will be changed into options to purchase at the same price the number of shares of TRW stock into which such shares of IRC Common Stock will be changed. TRW has advised IRC that, if the proposed merger becomes effective, it intends to continue the present fringe benefits of IRC employees until a thorough study thereof has been made, and that if, in the light of such study, it appears appropriate to make changes to take advantage of TRW's fringe benefit programs or for other reasons, it is TRW's intention that the package of fringe benefits which will be made available by TRW to former employees of IRC will in the aggregate be as good or better than the package of fringe benefits presently available to them. It is not contemplated that any of IRC's present Directors will become Directors of TRW.

The Amended Articles of Incorporation of TRW as the surviving corporation shall at the time the merger becomes effective be as set forth in the Agreement (Appendix I), subject to the provisions of the Agreement which permit changes therein under certain circumstances and subject to certain restrictions.

Conditions; Waiver; Termination

Under Delaware law, the favorable vote of two-thirds of the outstanding shares of Common Stock of IRC is required for approval of the merger and adoption of the Agreement. Under Ohio law, no vote of TRW shareholders is required for such approval.

The consummation of the merger is conditioned upon (a) the receipt of a ruling from the Internal Revenue Service (See "**Federal Tax Status**"), (b) the listing on the New York Stock Exchange, subject to notice of issuance, of the shares of TRW Common Stock to be issued in connection with the merger (including those to be issued upon exercise of options granted by IRC and to be assumed by TRW) and the

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shares of TRW Common Stock into which the TRW $4.40 Convertible Preference Stock is convertible, (c) the absence of claims, litigation, proceedings or governmental investigations, pending or threatened, as described in the Agreement, and (d) the performance and fulfillment of certain other agreements and conditions contained in the Agreement. Any of the foregoing conditions and any other provisions of the Agreement may be waived at any time by the company which is, or the shareholders of which are, entitled to the benefit thereof, if the waiver is approved by its Board of Directors, provided that any such waiver shall not, in the judgment of such Board, affect materially and adversely the benefits of such company or its shareholders intended under the Agreement.

The Agreement provides that it may be terminated either before or after the meeting of IRC stockholders, but prior to the time the merger becomes effective, either (a) by mutual written consent of IRC and TRW authorized by their respective Boards of Directors, or (b) by written notice from either company authorized by its Board of Directors, if the conditions to which such company's obligation to consummate the merger are subject are not met by July 31, 1968, or the date of such notice, whichever is later.

Proposed TRW Action

TRW has announced that its Board of Directors has approved and will submit to shareholders at the annual meeting of TRW shareholders to be held on April 30, 1968, proposed amendments, set forth in Exhibit C to the Agreement, to TRW's Amended Articles of Incorporation so as, among other things, to (a) increase the authorized number of shares of TRW Common Stock from 20,000,000 to 50,000,000 shares; (b) change the par value of TRW Common Stock from $2.50 per share to $1.25 per share; (c) change each share of TRW Common Stock with a par value of $2.50 per share theretofore authorized and issued into two shares of TRW Common Stock with a par value of $1.25 per share; and (d) increase the authorized number of shares of TRW Serial Preference Stock II from 3,000,000 to 5,000,000 shares.

If the effective date of the IRC merger occurs prior to the adoption by TRW shareholders of the proposed amendments of TRW's Amended Articles of Incorporation described in the preceding paragraph, upon the adoption and filing of such amendments, each share of TRW Common Stock with a par value of $2.50 per share which the IRC stockholder receives in the merger would be changed into two shares of TRW Common Stock with a par value of $1.25 per share and each share of TRW $4.40 Convertible Preference Stock which the IRC stockholder receives in the merger would be convertible into 2.2 shares of TRW Common Stock. If the effective date of the IRC merger occurs after the adoption and filing of such proposed amendments, the IRC stockholder will receive two-thirds instead of one-third of a share of TRW Common Stock for each share of IRC stock and one-fourth of a share of TRW $4.40 Convertible Preference Stock, each such share being convertible into 2.2 shares instead of 1.1 shares of TRW Common Stock.

Modification of Agreement

In addition to the changes in Exhibit A to the Agreement set forth in Exhibit C thereto and proposed to be submitted to the TRW shareholders (see "**Proposed TRW Action**"), the Agreement (a) provides that IRC and TRW, by written agreement approved by their respective Boards of Directors, may modify the Agreement (including the terms of TRW $4.40 Convertible Preference Stock) and the schedules referred to in the Agreement, before or after the vote by IRC stockholders on the Agreement, provided that such modification shall not, in the judgment of the Board of Directors of either company, affect materially and adversely the benefits of such company or its shareholders intended under the Agreement, and (b) also permits TRW to amend its Amended Articles of Incorporation in other respects prior to the effective date of the merger but, unless IRC consents thereto, no such change may be effected if it would either (i) authorize or create, or increase the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to TRW's Serial Preference Stock II, or (ii) change the provisions for the Serial Preference Stock II to be issued in the merger except to increase the authorized number of shares. Neither the IRC nor the TRW Board of Directors has any reason to believe that it will be necessary to modify or waive any provisions of the Agreement.

Federal Tax Status

Pursuant to the Agreement, application has been made to the Internal Revenue Service for a ruling to the effect that for Federal income tax purposes (a) the merger of IRC into TRW will constitute a "reorganization" within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1954, as amended (the "Code"); (b) no gain or loss will be recognized to IRC or TRW upon the merger or (except

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in respect of cash received in lieu of a fractional share) to any IRC stockholder upon the merger or upon receipt of TRW Common Stock or $4.40 Convertible Preference Stock to be issued in the merger; and (c) Section 306(a) of the Code will not apply to the sale or other disposition of shares of TRW $4.40 Convertible Preference Stock to be issued in the merger other than, possibly, to a sale or disposition, within five years from the date the merger becomes effective, to TRW or in anticipation of a redemption by TRW. Counsel for IRC have given their favorable opinion to IRC with respect to clauses (a), (b) and (c) set forth in the preceding description of the application for ruling and are of the view that the Internal Revenue Service will issue such ruling.

The tax basis to the IRC stockholders of the TRW Common Stock and $4.40 Convertible Preference Stock will be the tax basis of their IRC stock (adjusted for cash received in lieu of TRW fractional shares) allocated between the TRW Common Stock and $4.40 Convertible Preference Stock in proportion to the fair market value of each class immediately after the exchange.

In the event that Section 306(a) of the Code should apply to sales or other dispositions of the TRW $4.40 Convertible Preference Stock, the proceeds of such sales or other dispositions may be subject to tax at ordinary income rates.

No Appraisal Rights

Under Delaware law stockholders of IRC are not entitled to appraisal rights.

Department of Justice Inquiries

Federal authorities charged with the administration of the antitrust laws customarily, in the exercise of their responsibilities, review transactions of the size of the proposed merger. Both IRC and TRW have received requests from the United States Department of Justice for information and documents concerning the merger of IRC and have responded to such requests. IRC is informed that both TRW and United-Carr Incorporated ("United") have received from such Department requests for information and documents concerning the proposed merger of United into TRW and that both TRW and Mission Manufacturing Company ("Mission") have received similar requests concerning the proposed acquisition of Mission by TRW, and that all such companies have responded thereto. See **"Acquisitions and Dispositions of Businesses"** on page 16 for a description of such proposed merger and acquisition. Neither IRC nor TRW has any reason to believe that their merger would involve a violation of the antitrust laws. IRC has been advised by TRW that it is not aware of any basis for believing that the proposed merger of United or the proposed acquisition of Mission would involve a violation of any such laws.

Effective Date

It is expected that the merger will become effective as soon as practicable after the requisite vote of IRC stockholders and after receipt of the tax ruling requested from the Internal Revenue Service, but as hereinbefore noted the latter requirement may be waived under certain circumstances.

The foregoing brief summary of the Agreement is qualified in its entirety by reference to the Agreement attached as Appendix I.

The management of IRC recommends a vote FOR the approval and adoption of the Agreement.

PREFACE TO FINANCIAL DATA

As set forth under **"Acquisitions and Dispositions of Business"**, on page 16, TRW has also entered into an agreement to acquire United-Carr Incorporated ("United"), a Delaware corporation, by merger. Pro forma figures giving effect, on the basis of pooling of interests, to the proposed mergers of both IRC and United into TRW are included in the financial tables and statements hereinafter set forth. Although TRW has also entered into agreements with respect to the acquisition of three other companies, see **"Acquisitions and Dispositions of Businesses"**, financial data relative to these companies has not been included in such financial tables and statements as such companies, if considered in the aggregate as a single subsidiary of TRW, would not constitute a significant subsidiary of TRW. Such financial tables and statements do not reflect the proposed changes in the TRW Amended Articles of Incorporation hereinbefore summarized under **"Proposed TRW Action"** since a detailed presentation thereof is not considered material to the exercise of prudent judgment by the IRC stockholders in acting upon the proposed merger.

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CAPITALIZATION

The following table sets forth the capitalization of TRW and subsidiaries as of September 30, 1967, of and subsidiary as of October 22, 1967, and of United and subsidiaries as of September 30, 1967, and the pro forma combined capitalization on the basis of the assumptions set forth in the Notes to the "**PRO FORMA BALANCE SHEETS**" on page 12.

(In thousands of dollars)

				Pro Forma		
	TRW	IRC	United	TRW and IRC Combined	TRW and United Combined	TRW, IRC and United Combined
Long-Term Debt (excluding current maturities) (1):						
Notes payable to banks: Foreign	$ 48,530	$ –0–	$ –0–	$ 48,530	$ 48,530	$ 48,530
Domestic	24,000	–0–	7,560	24,000	31,560	31,560
3¼% Debentures due 1971	6,954	–0–	–0–	6,954	6,954	6,954
4⅞% Debentures due 1982	549	–0–	–0–	549	549	549
5¼% Debentures due 1986	22,975	–0–	–0–	22,975	22,975	22,975
5½% Debentures due 1992	50,000	–0–	–0–	50,000	50,000	50,000
5% Trust-deed notes due 1982	6,475	–0–	–0–	6,475	6,475	6,475
Other notes and obligations	3,981	–0–	1,350	3,981	5,331	5,331
Total Long-Term Debt	163,464	–0–	8,910	163,464	172,374	172,374
Minority Interests in Subsidiaries	2,876	–0–	799	2,876	3,675	3,675
Shareholders' Investment:						
4% Cumulative Preferred Stock, $100 Par Value:						
Authorized 61,908 shares						
Outstanding 61,908 shares	6,191	–0–	–0–	6,191	6,191	6,191
Serial Preference Stock, Without Par Value (2)(3):						
Authorized 750,000 shares						
Series A—$4.25 cumulative						
Outstanding 355,931 shares	35,593	–0–	–0–	35,593	35,593	35,593
Series B—$5.00 cumulative						
Outstanding 85,003 shares	8,500	–0–	–0–	8,500	8,500	8,500
Serial Preference Stock II, Without Par Value (2)(4):						
Authorized 3,000,000 shares						
$4.40 cumulative						
To be issued 1,734,132 shares						
(TRW and IRC 401,694)						
(TRW and United 1,332,438)	–0–	–0–	–0–	1,105	3,664	4,769
Common Stock:						
TRW—$2.50 Par Value (2):						
Authorized 20,000,000 shares						
Outstanding 9,947,808 shares — to be issued 535,592 shares (TRW and IRC)	24,870	–0–	–0–	26,209	24,870	26,209
IRC—$.10 Par Value:						
Authorized 2,500,000 shares						
Outstanding 1,607,483 shares	–0–	161	–0–	–0–	–0–	–0–
United—$2.50 Par Value:						
Authorized 10,000,000 shares						
Outstanding 2,664,876 shares	–0–	–0–	6,662	–0–	–0–	–0–
Other Capital	35,181	5,392	1,616	38,290	39,795	42,904
Retained Income	173,867	20,060	45,156	193,927	219,023	239,083
Total Shareholders' Investment	284,202	25,613	53,434	309,815	337,636	363,249
Total	$450,542	$25,613	$63,143	$476,155	$513,685	$539,298
Short-Term Debt	$ 17,298	$ –0–	$ 150	$ 17,298	$ 17,448	$ 17,448

NOTES:

(1) See Note B to the Notes to Financial Statements of TRW and of United, respectively, for further information concerning long-term debt.

(2) Upon issuance of the 1,734,132 shares of Serial Preference Stock II, approximately 1,907,000 additional shares of Common Stock of TRW will be reserved for conversions. For further information concerning shares of Common Stock reserved for conversions, see Note C to the Notes to Financial Statements of TRW.

(3) Stated at the involuntary liquidation price of $100 a share.

(4) Stated at $2.75 a share. Reference is made to the "**PRO FORMA BALANCE SHEETS**" on page 12, for the aggregate preference on involuntary liquidation.

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PRO FORMA INCOME AND PER SHARE DATA

The following table sets forth the net sales, net income and per share data of TRW, IRC and United for the periods indicated, and combined on a pro forma basis to show on the basis of a pooling of interests, the proposed merger of the above companies. The information presented in this table should be read in conjunction with the pro forma balance sheets, and the notes thereto, and the financial statements and the notes to financial statements of the respective companies, hereinafter set forth.

(In thousands of dollars except per share amounts)

	Nine Months Ended September 30,(a)		Year Ended December 31,				
	1967	1966	1966	1965	1964	1963	1962
Net sales:							
TRW	$736,784	$636,502	$ 883,430	$680,414	$568,153	$572,991	$547,643
IRC	40,916	43,842	55,298	41,980	33,624	32,154	32,434
United	90,475	90,914	123,015	102,982	85,992	82,349	76,177
Combined	868,175	771,258	1,061,743	825,376	687,769	687,494	656,254
Net income available for Common Stock as shown by statements of income:							
TRW	28,821	24,853	33,945	22,803	20,998	18,652	15,677
IRC	3,876	4,554	5,660	3,668	2,280	1,609	2,534
United	4,091	4,789	7,109	6,270	4,740	4,327	3,855
Combined	36,788	34,196	46,714	32,741	28,018	24,588	22,066
Dividend requirements on $4.40 convertible preference stock to be issued (b):							
To IRC	1,325	1,325	1,767	1,767	1,767	1,767	1,767
To United	4,397	4,397	5,863	5,863	5,863	5,863	5,863
Combined	5,722	5,722	7,630	7,630	7,630	7,630	7,630
Pro forma net income available for Common Stock, combining:							
TRW and IRC	31,372	28,082	37,838	24,704	21,511	18,494	16,444
TRW and United	28,515	25,245	35,191	23,210	19,875	17,116	13,669
TRW, IRC and United	31,066	28,474	39,084	25,111	20,388	16,958	14,436
Net income per share of Common Stock:							
Comparison of historical and pro forma net income per share based upon the equivalent TRW shares which would have been issued:							
TRW shareholder (common):							
Historical (c):	$3.00	$2.79	$3.76	$2.69	$2.45	$2.08	$1.76
Pro forma:							
Assuming no conversion of preference stock to be issued, combining:							
TRW and IRC	3.09	2.97	3.96	2.74	2.36	1.95	1.74
TRW and United	2.97	2.83	3.90	2.74	2.32	1.91	1.54
TRW, IRC and United	3.07	3.01	4.09	2.78	2.24	1.79	1.53
Assuming full conversion of preference stock to be issued, combining:							
TRW and IRC	3.09	2.97	3.96	2.80	2.44	2.04	1.84
TRW and United	2.98	2.86	3.91	2.92	2.56	2.21	1.88
TRW, IRC and United	3.06	3.01	4.07	3.00	2.54	2.16	1.94
Assuming full conversion of all convertible securities, combining (d):							
TRW	2.68	2.40	3.23	2.32	2.13	1.87	1.71
TRW and IRC	2.78	2.57	3.43	2.43	2.14	1.85	1.71
TRW and United	2.68	2.49	3.40	2.54	2.24	1.99	1.74
TRW, IRC and United	2.77	2.64	3.56	2.62	2.24	1.96	1.80
IRC shareholder:							
Historical (c)	2.42	2.86	3.56	2.32	1.44	1.02	1.61
Pro forma:							
Assuming no conversion of preference stock to be issued, combining:							
TRW and IRC	1.85	1.81	2.42	2.01	1.89	1.75	1.68
TRW, IRC and United	1.84	1.82	2.46	2.03	1.85	1.70	

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	Nine Months Ended September 30,(a)		Year Ended December 31,				
	1967	1966	1966	1965	1964	1963	1962
Net income per share of Common Stock (continued):							
Assuming full conversion of preference stock to be issued, combining:							
TRW and IRC	$1.88	$1.81	$2.42	$1.71	$1.49	$1.24	$1.12
TRW, IRC and United	1.87	1.84	2.48	1.83	1.55	1.32	1.18
Assuming full conversion of all convertible securities combining (d):							
TRW and IRC	1.70	1.57	2.09	1.48	1.31	1.13	1.04
TRW, IRC and United	1.69	1.61	2.17	1.60	1.37	1.20	1.10
United shareholder:							
Historical (c)	1.54	1.82	2.70	2.40	1.84	1.69	1.50
Pro forma:							
Assuming no conversion of preference stock to be issued, combining:							
TRW and United	1.65	1.65	2.20	2.20	2.20	2.20	2.20
TRW, IRC and United	1.65	1.65	2.20	2.20	2.20	2.20	2.20
Assuming full conversion of preference stock to be issued, combining:							
TRW and United	1.64	1.57	2.15	1.61	1.41	1.22	1.03
TRW, IRC and United	1.68	1.66	2.24	1.65	1.40	1.19	1.07
Assuming full conversion of all convertible securities, combining (d):							
TRW and United	1.47	1.37	1.87	1.40	1.23	1.09	.96
TRW, IRC and United	1.52	1.45	1.96	1.44	1.23	1.08	.99
Cash dividends per share (e):							
Comparison of historical and pro forma dividends based upon the equivalent TRW shares which would have been issued:							
TRW shareholder (common)—historical	1.05	1.05	1.40	1.30	.95	.75	.64
IRC shareholder:							
Historical	.75	.65	1.15	.80	.50	.44	.43
Pro forma:							
Assuming no conversion of preference:							
Per ½ share of common	.35	.35	.47	.43	.32	.25	.21
Per ¼ share of preference (f)	.82	.82	1.10	1.10	1.10	1.10	1.10
Total	1.17	1.17	1.57	1.53	1.42	1.35	1.31
Assuming full conversion of preference—per .61 share of common	.64	.64	.85	.79	.58	.46	.39
United shareholder:							
Historical	.77	.75	1.00	.85	.80	.75	.75
Pro forma:							
Assuming no conversion of preference—per .50 share of preference (f)	1.65	1.65	2.20	2.20	2.20	2.20	2.20
Assuming full conversion of preference—per .55 share of common	.58	.58	.77	.71	.52	.41	.35
Shareholders' equity per share of common stock (g):							
Comparison of historical and pro forma shareholders' equity based upon the equivalent TRW shares which would have been issued:							
TRW shareholder (common)—historical	23.51						
IRC shareholder:							
Historical	15.93						
Pro forma:							
Assuming no conversion of preference stock to be issued, combining:							
TRW and IRC	32.92						
TRW, IRC and United	30.21						
Assuming full conversion of preference stock to be issued, combining:							
TRW and IRC	14.49						
TRW, IRC and United	15.41						

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	Nine Months Ended September 30,(a)		Year Ended December 31,				
	1967	1966	1966	1965	1964	1963	1962
Shareholders' equity per share of Common Stock (g) (continued):							
United shareholder:							
Historical	20.05						
Pro forma:							
Assuming no conversion of preference stock to be issued, combining:							
TRW and United	52.00						
TRW, United and IRC	52.00						
Assuming full conversion of preference stock to be issued, combining:							
TRW and United	13.85						
TRW, United and IRC	13.89						

(a) Except IRC, as to which figures are included for the 42 week periods ended October 22, 1967, and October 23, 1966, respectively.

(b) Based on the assumption that the 1,734,132 shares of Serial Preference Stock II to be issued by TRW were outstanding for all periods and that the annual dividend rate was $4.40 per share.

(c) Net income per share of Common Stock of TRW has been computed on the basis of the average number of shares outstanding during each period after treating the shares issued in 1964 and in 1967 in connection with acquisitions accounted for as poolings of interests, as outstanding for all of the periods; and adjusting for the two-for-one stock split effected in 1964 and for the 10 percent stock dividend paid in 1963. Net income per share of Common Stock of TRW for the year ended December 31, 1965, previously reported as $3.15 per share, has been restated to give effect to a deduction for extraordinary charges amounting to $.46 per share; see note (b) to the Statements of Consolidated Income on page 9 for additional information. Net income per share of Common Stock of IRC has been computed on the basis of the average number of shares outstanding during each period adjusted for a 2% stock dividend in 1963 and shares issued in poolings of interests referred to in Note (a), page 10. Net income per share of Common Stock of United has been computed on the basis of the number of shares outstanding at the end of each period after giving retroactive effect to a two-for-one stock distribution on January 31, 1966.

(d) Based on the number of shares which would be outstanding upon the assumed conversion, at the beginning of each respective period, of Subordinated Debentures, Series A and B Preference Stock, and Serial Preference Stock II proposed to be issued, and exercise of outstanding stock options and after a corresponding adjustment of available net income for interest (net of applicable income tax effect) and the preference stock dividend requirements.

(e) Based on the cash dividends declared on the Common Stock for each of the respective periods, adjusted for subsequent stock splits and stock dividends where applicable. Future dividends are dependent on earnings, financial condition and other factors.

(f) Based on the annual dividend rate of $4.40 on the Serial Preference Stock II.

(g) Based on the number of shares of Common Stock outstanding at September 30, 1967, for TRW and United and at October 22, 1967, for IRC and taking the TRW Preferred and Serial Preference Stock at the involuntary liquidation price of $100 per share and Serial Preference Stock II at the involuntary liquidation price of $104 per share.

TRW-MGR-0590

TRW INC. AND SUBSIDIARIES

STATEMENTS OF CONSOLIDATED INCOME

The following statements of consolidated income of TRW Inc. and subsidiaries for the five years ended December 31, 1966, which have been examined by Ernst & Ernst, independent accountants, whose report thereon appears elsewhere in this Proxy Statement, include the accounts of Marlin-Rockwell Corporation ("MRC") and Ross Gear and Tool Company, Inc. ("Ross"), whose businesses and net assets were acquired during 1964 and accounted for as poolings of interests. Results of operations of the acquired businesses for their full fiscal years (June 30 for MRC and November 30 for Ross) ended in 1962 and 1963 are combined with the corresponding calendar year operations of TRW. Accordingly, the results of operations of MRC for the period of six months ended December 31, 1963, and of Ross for the month of December, 1963, are not included in the statements. Transactions between TRW, MRC, and Ross for the years 1962 and 1963 were not significant and therefore were not considered in effecting the above combinations of operating results. In addition, the statements include the accounts of two companies acquired in 1967 and accounted for as poolings of interests. The data pertaining to the nine month periods ended September 30, 1967, and September 30, 1966, are unaudited; however, in the opinion of the management of TRW, all adjustments (which consist only of normal recurring accruals) necessary for a fair presentation of the results of operations for these periods have been included. The results of operations for the nine months ended September 30, 1967, are not necessarily indicative of the results for the year ending December 31, 1967. The statements for the three years and nine months ended September 30, 1967, should be read in conjunction with the related financial statements and notes to financial statements appearing elsewhere herein.

(In thousands of dollars)

	Nine Months Ended September 30, (a)		Year Ended December 31, (a)				
	1967 (Unaudited)	1966 (Unaudited)	1966	1965	1964	1963	1962
Net sales	$736,784	$636,502	$883,430	$680,414	$568,153	$572,991	$547,643
Other income	2,905	2,504	3,977	3,350	5,018	2,267	2,045
	739,689	639,006	887,407	683,764	573,171	575,258	549,688
Deductions:							
Cost of products sold	592,548	513,443	712,411	544,695	456,319	456,935	435,667
Administrative, research and development, and selling expenses	82,082	69,849	98,102	77,820	68,106	71,362	71,052
Interest expense	7,582	5,285	7,765	3,951	3,099	3,191	3,185
Other deductions	1,593	955	2,166	1,335	636	1,091	1,644
	683,805	589,532	820,444	627,801	528,160	532,579	511,548
Income before income taxes and extraordinary charges	55,884	49,474	66,963	55,963	45,011	42,679	38,140
Income taxes	25,371	22,562	30,387	26,183	20,918	20,899	19,324
Income before extraordinary charges	30,513	26,912	36,576	29,780	24,093	21,780	18,816
Extraordinary charges (b)	–0–	–0–	–0–	3,942	–0–	–0–	–0–
Net income	$ 30,513	$ 26,912	$ 36,576	$ 25,838	$ 24,093	$ 21,780	$ 18,816
Net income available for Common Stock (c)	$ 28,821	$ 24,853	$ 33,945	$ 22,803	$ 20,998	$ 18,652	$ 15,677

(a) Includes accounts of two companies acquired in 1967 and accounted for as poolings of interests. Net sales and net income of such companies were as follows:

(In thousands of dollars)

	Nine Months Ended September 30,		Year Ended December 31,				
	1967	1966	1966	1965	1964	1963	1962
Net sales	$ 16,875	$ 14,672	$ 19,564	$ 15,904	$ 14,734	$ 13,892	$ 12,819
Net income	936	1,067	1,422	804	684	852	632

(b) Consists of provision of $3,350,000, net of income taxes of $2,678,000, for lease cancellation costs and other charges related to equipment no longer required in the business and elimination of intangibles of $592,000 related to business discontinued. Consistent with the recommendations of Opinion No. 9 of the Accounting Principles Board, the Company has restated such amounts, which had previously been reported as special charges excluded from the determination of net income, as extraordinary charges included in the determination of net income.

(c) Adjusted for dividend requirements on Series A and Series B Preference Stock, issued in connection with the acquisitions of MRC and Ross in 1964 and of one other company in 1967, respectively, as if such shares had been outstanding during all periods. Reference is made to **"PRO FORMA INCOME AND PER SHARE DATA"** on page 6.

TRW-MGR-0591

IRC, INC. AND CONSOLIDATED SUBSIDIARY
STATEMENT OF CONSOLIDATED EARNINGS

The following statement of consolidated earnings of IRC, Inc. and consolidated subsidiary (two subsidiaries for the years 1962 through 1965) for the five years ended January 1, 1967, has been examined by Peat, Marwick, Mitchell & Co., independent certified public accountants, whose report, included elsewhere herein, is based in part on the report of other independent certified public accountants. The statement insofar as it relates to the 42-week periods ended October 22, 1967, and October 23, 1966, is unaudited, but in the opinion of the management of IRC, Inc. it includes all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of the results for such periods. The statement should be read in conjunction with the other financial statements of IRC, Inc. and consolidated subsidiary and the related notes included elsewhere in this Proxy Statement.

(In thousands of dollars)

	42 Weeks Ended (a)		Fiscal Year Ended (a)				
	October 22, 1967	October 23, 1966	January 1, 1967	January 2, 1966	January 3, 1965	December 29, 1963	December 30, 1962
	(Unaudited)	(Unaudited)					
Income:							
Net sales	$40,916	$43,842	$55,298	$41,980	$33,624	$32,154	$32,434
Licensees, less foreign income taxes withheld at source	605	800	995	907	705	705	598
Miscellaneous	237	274	357	239	128	148	187
	41,758	44,916	56,650	43,126	34,457	33,007	33,219
Costs incurred in the operation of the business:							
Cost of goods sold, exclusive of depreciation and amortization	26,189	27,349	34,770	27,277	22,004	21,010	19,926
Selling, advertising, research, general and administrative expenses	6,732	6,842	8,481	6,749	6,640	7,236	6,919
Provision for depreciation and amortization	1,354	1,278	1,534	1,323	1,282	1,271	1,020
Miscellaneous	224	240	611	403	259	178	126
	34,499	35,709	45,396	35,752	30,185	29,695	27,991
Earnings before Federal and State income taxes	7,259	9,207	11,254	7,374	4,272	3,312	5,228
Provision for income taxes:							
Federal (b):							
Current	3,144	4,245	5,137	3,399	1,760	1,443	2,311
Deferred	—	15	15	20	66	130	199
State	239	393	442	287	166	130	184
	3,383	4,653	5,594	3,706	1,992	1,703	2,694
Net Earnings (c)	$ 3,876	$ 4,554	$ 5,660	$ 3,668	$ 2,280	$ 1,609	$ 2,534

NOTES:

(a) During 1967 IRC acquired all the outstanding stock of Holyoke Wire and Cable Corporation in exchange for 87,493 shares of IRC's Common Stock. This acquisition has been treated as a pooling of interests for accounting purposes. The financial statements of Holyoke have been included above on the basis of its fiscal years ended June 30. With respect to the 42-week periods, the operations of Holyoke are included for its appropriate nine-month periods. In addition, in 1961 and 1962 IRC acquired all the outstanding stock of North American Electronics, Inc. partially for cash and partially through the exchange of 43,290 shares of IRC's Common Stock. The portion of this acquisition which was effected through an exchange of shares has been treated as a pooling of interests for accounting purposes and the cash portion has been treated as a purchase. In 1966 North American Electronics, Inc. was merged into IRC and its activities have been continued as a division.

(b) The investment credit of IRC under the Revenue Act of 1962 with respect to the years 1962 and 1963, not material in amount, has been deferred and is being taken into income ratably over the estimated life of the respective assets. The credit with respect to periods subsequent to 1963 has been treated as a reduction in the provision for income taxes in each period as follows: 1964—$100,000, 1965—$53,000, 1966—$140,000, 42 weeks ended October 23, 1966—$65,000, 42 weeks ended October 22, 1967—$112,000. The consolidated subsidiary has deferred the investment credit (nominal in amount) in each period.

(c) Reference is made to **"PRO FORMA INCOME AND PER SHARE DATA"** on page 6.

The decline in earnings of IRC for 1963 was largely due to heavy product introduction expenses, to cutbacks in Government programs, and to increased competition, both domestic and foreign. The decline in sales and earnings for the 42-week period ended October 22, 1967, was attributable to the reduction of inventories in the first half of 1967 in the radio and television, automotive, electronic data processing and electronic instrument manufacturing industries, and to increased foreign competition, cutbacks in production of certain large users, and higher costs of materials and labor.

TRW-MGR-0592

UNITED-CARR INCORPORATED AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED EARNINGS

The following statement of consolidated earnings of United-Carr Incorporated and subsidiaries, insofar as it relates to the five years ended December 31, 1966, has been examined by Ernst & Ernst, independent accountants, whose report thereon appears elsewhere herein. The statements of consolidated earnings for the nine months ended September 30, 1967 and 1966 have been prepared from the records of the Company without audit. However, in the opinion of management, such statements reflect all adjustments (comprising only normal recurring accruals) necessary for a fair presentation of the results of operations for such periods. The results of operations for the nine months ended September 30, 1967 are not necessarily indicative of the results for the year ending December 31, 1967. The statement should be read in conjunction with the other financial statements of United-Carr Incorporated and notes thereto appearing elsewhere herein.

(In thousands of dollars)

	Nine Months Ended September 30,		Year Ended December 31,				
	1967	1966	1966	1965	1964	1963	1962
	(Unaudited)	(Unaudited)					
Net sales	$90,475	$90,914	$123,015	$102,982	$85,992	$82,349	$76,177
Other income	668	404	554	448	463	365	273
	91,143	91,318	123,569	103,430	86,455	82,714	76,450
Cost of goods sold	67,442	67,495	90,659	73,254	62,051	59,269	56,308
Operating expenses	11,938	11,174	14,954	13,058	11,837	11,087	9,782
Provision for depreciation	3,068	2,597	3,655	3,016	2,530	2,304	1,965
Interest expense	443	80	179	12			
Other deductions	427	358	588	637	587	465	403
Minority interest in net earnings of foreign subsidiary	44	51	72	85	112	98	92
Amortization of excess cost of investments in subsidiaries	77	77	103	98	98	84	
	83,439	81,832	110,210	90,160	77,215	73,307	68,550
	7,704	9,486	13,359	13,270	9,240	9,407	7,900
State, federal and foreign income taxes	3,613	4,697	6,250	6,600	4,500	5,080	4,045
	4,091	4,789	7,109	6,670	4,740	4,327	3,855
Provision for currency revaluation				400			
Net earnings (1)	$ 4,091	$ 4,789	$ 7,109	$ 6,270	$ 4,740	$ 4,327	$ 3,855

(1) Reference is made to "**PRO FORMA INCOME AND PER SHARE DATA**" on page 6.

The small decline in net sales for the nine months ended September 30, 1967 as compared with the same period in 1966 was due to general economic conditions in the industries served by United. Factors adversely affecting earnings for the first nine months of 1967 included substantially higher depreciation and interest charges, increased expenditures for research and product development, and other costs associated with increased capacity which were incurred to allow United to handle anticipated increased volume of sales.

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PRO FORMA BALANCE SHEETS

(On the bases of the assumptions set forth in the accompanying Notes)

ASSETS	TRW	PRO FORMA TRW and IRC Combined (a)	PRO FORMA TRW and United Combined (b)	PRO FORMA TRW, IRC and United Combined (c)
Current Assets:				
Cash and marketable securities	$ 37,720,588	$ 44,240,766	$ 46,042,932	$ 52,563,110
Accounts receivable less allowances	150,747,033	156,108,434	166,177,555	171,538,955
Inventories	145,291,947	152,813,014	167,401,784	174,922,851
Prepaid expenses	8,996,897	9,178,027	9,927,176	10,108,306
Total Current Assets	342,756,465	362,340,241	389,549,447	409,133,223
Investments In Associated Foreign Companies	3,924,826	4,017,076	3,924,826	4,017,076
Property, Plant, and Equipment				
Land, buildings, machinery and equipment	376,267,706	395,152,298	427,767,584	446,652,176
Less allowances for depreciation and amortization	204,943,620	213,592,208	227,659,537	236,308,125
Total Property, Plant, and Equipment—net	171,324,086	181,560,090	200,108,047	210,344,051
Cost of Acquired Businesses in Excess of Recorded Net Assets at Acquisition Dates	40,995,622	40,995,622	42,576,002	42,576,002
Other Assets	8,376,782	8,537,049	9,028,737	9,189,004
	$567,377,781	$597,450,078	$645,187,059	$675,259,356
LIABILITIES AND SHAREHOLDERS' INVESTMENT				
Current Liabilities:				
Notes payable	$ 16,200,043	$ 16,200,043	$ 16,200,043	$ 16,200,043
Trade accounts payable and accrued expenses	86,027,125	89,269,288	97,541,674	100,783,837
Income taxes	13,510,127	14,727,524	16,511,529	17,728,926
Amounts payable within one year on long-term debt	1,098,325	1,098,325	1,248,325	1,248,325
Total Current Liabilities	116,835,620	121,295,180	131,501,571	135,961,131
Long-Term Debt	163,464,301	163,464,301	172,374,301	172,374,301
Minority Interests in Subsidiaries	2,876,316	2,876,316	3,675,438	3,675,438
Shareholders' Investment				
4% Cumulative Preferred Stock	6,190,800	6,190,800	6,190,800	6,190,800
$4.25 Convertible Preference Stock, Series A, cumulative	35,593,100	35,593,100	35,593,100	35,593,100
$5.00 Convertible Preference Stock, Series B, cumulative	8,500,300	8,500,300	8,500,300	8,500,300
$4.40 Convertible Preference Stock II, cumulative (d)—with aggregate preference in involuntary liquidation of:				
TRW and IRC, $41,776,176	–0–	1,104,658	–0–	–0–
TRW and United, $138,573,552	–0–	–0–	3,664,205	–0–
TRW, IRC and United, $180,349,728	–0–	–0–	–0–	4,768,863
Common Stock	24,869,520	26,208,500	24,869,520	26,208,500
Other Capital	35,181,308	38,290,215	39,795,144	42,904,051
Retained Income (e)	173,866,516	193,926,708	219,022,680	239,082,872
Total Shareholders' Investment	284,201,544	309,814,281	337,635,749	363,248,486
	$567,377,781	$597,450,078	$645,187,059	$675,259,356

NOTES:

(a) Assuming the issuance of 401,694 shares of TRW $4.40 Convertible Preference Stock, with a stated value of $2.75 a share, and 535,592 shares of TRW Common Stock, par value $2.50 a share, in exchange for the business and net assets of IRC on the basis of ¼th share of such Preference Stock and ½rd share of TRW Common Stock for each share of IRC Common Stock outstanding, and assuming the combination of the Consolidated Balance Sheet of TRW as of September 30, 1967 and the Consolidated Balance Sheet of IRC as of October 22, 1967, on the basis of a pooling of interests. On the basis of these assumptions, the proposed transaction would result in the issuance of TRW $4.40 Convertible Preference Stock with a stated value of $1,104,658 and of TRW Common Stock with a par value of $1,338,980, and the elimination of IRC Common Stock with a par value of $160,838 and of IRC capital in excess of the par value of its issued shares, in the amount of $5,391,707, and in a credit to other capital in the amount of $3,108,907.

(b) Assuming the issuance of 1,332,438 shares of TRW $4.40 Convertible Preference Stock with a stated value of $2.75 a share, in exchange for the business and net assets of United on the basis of ½ share of such Preference Stock for each share of United Common Stock outstanding, and assuming the combination of the Consolidated Balance Sheets of TRW and United as of September 30, 1967, on the basis of a pooling of interests. On the basis of these assumptions, the proposed transaction would result in the issuance of TRW $4.40 Convertible Preference Stock with a stated value of $3,664,205, and the elimination of United Common Stock with a par value of $6,662,190 and of United capital in excess of the par value of its issued shares, in the amount of $1,615,851, and in a credit to other capital in the amount of $4,613,836.

(c) Assuming the issuance of 1,734,132 shares of TRW $4.40 Convertible Preference Stock with a stated value of $2.75 a share, and 535,592 shares of TRW Common Stock, par value $2.50 a share, pursuant to exchanges set forth in (a) and (b) above, and the combination of the Consolidated Balance Sheets of TRW and of United as of September 30, 1967, and the Consolidated Balance Sheet of IRC as of October 22, 1967, on the basis of poolings of interests. On the basis of these assumptions, the proposed transactions would result in the issuance of TRW $4.40 Convertible Preference Stock with a stated value of $4,768,863 and of TRW Common Stock with a par value of $1,338,980, and the elimination of IRC Common Stock with a par value of $160,838, of IRC capital in excess of the par value of its issued shares, in the amount of $5,391,707, of United Common Stock with a par value of $6,662,190 and of United capital in excess of the par value of its issued shares, in the amount of $1,615,851, and in a credit to other capital in the amount of $7,722,743.

(d) The excess of the preference in involuntary liquidation over the stated value of the TRW $4.40 Convertible Preference Stock would not create any restriction on the distribution of retained income.

(e) Among other covenants, the indentures and the other long-term loan agreements impose limitations on the payment of dividends. Under the most restrictive interpretation of these limiting covenants TRW's retained income at September 30, 1967, was unrestricted to the extent of approximately $49,000,000. The pro forma retained income would be unrestricted to the following extent:

TRW and IRC	$ 74,500,000
TRW and United	91,000,000
TRW, IRC and United	116,500,000

(f) The **PRO FORMA BALANCE SHEETS** should be read in conjunction with the individual consolidated balance sheets of TRW, IRC and United, and the respective notes to financial statements hereinafter included.

(g) Intercompany transactions were not significant and therefore were not considered in effecting the above combinations.

ACCOUNTING TREATMENT

The proposed mergers of IRC and United with and into TRW are considered to be poolings of interests for accounting purposes. Therefore, under generally accepted accounting principles, TRW would expect to carry forward in its financial statements the assets and liabilities of IRC and United at their book values, and to carry forward IRC's and United's retained income.

COMPARATIVE MARKET PRICES

The Common Stock of IRC is listed on the New York, Philadelphia-Baltimore-Washington and Pacific Coast Stock Exchanges. The Common Stock of TRW is listed on the New York, Midwest, Philadelphia-Baltimore-Washington and Pacific Coast Stock Exchanges. The Common Stock of United is listed on the New York, Boston and Pacific Coast Stock Exchanges. The reported high and low sales prices of the Common Stocks of the companies on the New York Stock Exchange for the quarterly periods indicated were as follows (adjusted, in the case of United Common Stock, to reflect a two-for-one share distribution in January 1966):

	Common Stock of IRC		Common Stock of TRW		Common Stock of United	
Period	High	Low	High	Low	High	Low
1965						
First Quarter	18¾	14	32½	28½	19½	17½
Second Quarter	22¾	17	35⅞	28	21⅜	18¼
Third Quarter	28⅜	18½	39½	28⅞	29½	19½
Fourth Quarter	33⅝	26¼	51⅞	37¼	31	25⅞
1966						
First Quarter	36⅞	28⅞	50¼	40½	35⅜	29⅜
Second Quarter	42	30⅝	50½	40¾	33	25½
Third Quarter	49¾	35⅞	48⅛	41¼	27⅜	20
Fourth Quarter	48	36¼	48¾	37¼	23½	18⅞
1967						
First Quarter	47⅞	37⅛	61⅝	44	27⅞	22½
Second Quarter	39¾	31¾	79¾	56½	32¾	25⅞
Third Quarter	47¼	35½	82½	64¼	44¼	27¾
Fourth Quarter through December 22	58¾	43¼	104¾	80¼	54⅞	40⅞

On October 2, 1967, the day before the definitive exchange ratio in the proposed IRC merger was first publicly announced, the reported closing prices on the New York Stock Exchange of the Common Stocks of IRC, TRW and United were 46⅝, 81¾ and 42¼, respectively. On October 5, 1967, the day before the exchange ratio in the proposed United merger was first publicly announced, the reported closing prices on the New York Stock Exchange of the Common Stocks of IRC, TRW and United were 46¼, 85 and 43⅝, respectively.

On December 29, 1967 the reported closing prices on the New York Stock Exchange of the Common Stocks of IRC and TRW were 58⅜ and 103 respectively.

No shares of TRW $4.40 Convertible Preference Stock have been issued, and it is not anticipated that any will be issued prior to consummation of the merger unless the proposed United merger is effective prior to the effective date of the proposed IRC merger.

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BUSINESS AND PROPERTIES OF TRW

TRW is a diversified, technically-oriented manufacturing company. Its principal businesses are the manufacture and sale of products and the performance of systems engineering, research and technical services in the space, advanced systems and electronics fields; the manufacture and sale of engine, chassis and other components for automobiles, trucks, tractors and other vehicles; and the manufacture and sale of aircraft component parts, largely for turbine engines.

TRW employs approximately 60,000 persons. Its domestic operations are conducted principally at 27 locations in the United States and it manufactures products, principally vehicle components, in 11 foreign countries.

TRW was incorporated in Ohio in 1916 and adopted its present name in 1965. As used under "**BUSINESS AND PROPERTIES OF TRW**", the term "TRW" means TRW or a TRW subsidiary or TRW and its subsidiaries.

Domestic and foreign sales of TRW during 1966 amounted to $883,430,000, including 1966 sales of companies acquired during 1967 and accounted for as poolings of interests. Of such sales, approximately 56% were to industrial and commercial customers and approximately 44% were, directly or indirectly, to the United States Government. With respect to the Government business, approximately 28% of total sales were to or for the Department of Defense and approximately 16% were to or for other governmental agencies, principally the National Aeronautics and Space Administration. It is estimated that Government business in 1967 may approximate 50% of total sales, and that sales of TRW's products in the Space and Advanced Systems and Aircraft Products categories may each constitute a larger percentage of total sales than in 1966.

Space and Advanced Systems

TRW designs and manufactures unmanned spacecraft for defense, space exploration and communications, and designs and manufactures systems, subsystems and components for space propulsion, attitude control and guidance. It conducts systems engineering and coordinates the design and manufacture of data management systems and missile, antisubmarine warfare, and other weapons systems. TRW also performs advanced research and development in the space field, principally in connection with re-entry vehicles and space boosters and provides other technical services to the Government, including launch direction, tracking, mission analysis and data reduction. Sales classified as space and advanced systems amounted to approximately 26% of total sales during 1966.

Electronic Systems and Components

TRW manufactures electronic products for aerospace and defense applications, including guidance, power and communications systems and subsystems. It also manufactures a variety of electronic components for color and black-and-white television sets, radios, computers and other uses, including certain color convergence yokes, transformers, capacitors, rectifiers, quartz crystal products, filters, tuning devices, diodes, transistors, specialized semiconductor subassemblies and microminiature devices. TRW manufactures these products in the United States and certain of them in Canada and Taiwan. Sales classified as electronic systems and components amounted to approximately 14% of total sales during 1966.

Vehicle Components

TRW manufactures and distributes engine and chassis parts, components and assemblies for use in automobiles, trucks, tractors and other vehicles. These products are sold both for original equipment and replacement use. Product lines include valves and valve train parts, pistons and piston rings, cylinder sleeves, turbo-chargers, hydrostatic and mechanical steering components and assemblies, ball joints and suspension parts, power steering pumps and anti-friction bearings. TRW manufactures these products in the United States and certain of them in Argentina, Australia, Brazil, Canada, France, Germany, Italy, Mexico, South Africa and the United Kingdom.

A major portion of the sales of vehicle components to manufacturers of original equipment is made to a relatively small number of customers, but no single customer's purchases of these products accounted for more than 6% of total sales in 1966. In general, the vehicle components manufactured by TRW for original equipment are also sold, together with other vehicle components purchased by TRW from other manufac-

turers, for replacement use to a large number of wholesale customers in the United States and foreign countries.

In 1966 TRW's sales of vehicle components amounted to approximately 35% of total sales, consisting of 8% for automobiles to be manufactured in the United States, 8% for trucks and off-the-road vehicles to be manufactured in the United States, 7% for replacement use in the United States, and 12% representing vehicle components sold outside the United States.

Aircraft Products

Most of the products manufactured by TRW for aircraft use are turbine engine parts for commercial and military aircraft. Such parts include compressor blades, vanes, rotors, impellers and inducers, and turbine blades, vanes and rotors. Other aircraft products include fuel pumps and accessories, bearings, pneumatic actuating systems, valves and miscellaneous castings.

A major portion of sales of aircraft products is made to a relatively small number of customers, one of which accounted for approximately 12% of TRW's total sales during 1966. Sales classified as aircraft products amounted to approximately 18% of total sales during 1966.

Other Products

In addition to the foregoing, TRW manufactures and sells other products, including anti-friction bearings for industrial applications, nuclear reactor components, static inverters and specialty chemicals. Sales of such products amounted to approximately 7% of total sales during 1966.

Foreign Operations

TRW's investment in, and equity in undistributed earnings of, foreign subsidiaries at December 31, 1966 totalled approximately $100 million, of which amount almost two-thirds represented investments made during the past three years. TRW's foreign operations consist primarily of the manufacture and sale of vehicle components.

Prior to 1965 TRW's foreign manufacturing operations (apart from interests of 50% or less in foreign manufacturers) were largely confined to Canada and Latin America. Since January 1, 1965, TRW has acquired or established or increased its ownership of manufacturing operations in a number of other foreign countries, and at the present time its largest investments in foreign operations are in the United Kingdom, Canada and Germany. See Note A to the TRW Financial Statements.

Because of devaluation reserves and hedging contracts, the devaluation of the British pound in November, 1967 did not have a significant effect on the consolidated financial position of TRW and did not result in any charge to operations.

Competition

TRW encounters intensive competition in all aspects of its business from both smaller specialized firms and large diversified businesses. Competitors include independent manufacturers and integrated customers of TRW which manufacture internally substantial portions of their requirements of parts and components. TRW's competitive position varies among its different products, but TRW believes that it is a significant independent supplier of many of the parts and components which it manufactures for aerospace equipment and vehicles.

Employee Relations

TRW has approximately 60,000 employees, of whom approximately 48,000 are employed in the United States and Canada. As of October 31, 1967, of TRW's domestic and Canadian employees, approximately 14% were represented by unions affiliated with national or international labor organizations, approximately 27% were represented by independent labor organizations, and approximately 59% were not represented in their relations with TRW by any labor organization.

Labor agreements covering approximately 8,100 employees in the United States expired during 1967 and as a result TRW has incurred higher labor costs.

Most of the domestic and Canadian employees of TRW are covered by programs providing death benefits and hospitalization, surgical and medical expense coverage and by one or more retirement plans. See Note E to the TRW Financial Statements for information concerning TRW's retirement plans. TRW intends to introduce two stock savings plans, effective January 1, 1968, in which some 24,000 of TRW's domestic and Canadian employees are initially eligible to participate. Eligible employees may designate up

to 6% of their pay for investment in the plan covering them. TRW will contribute an amount equal to 50% of employees' savings.

TRW has enjoyed generally good labor relations for many years. There have been no significant work stoppages due to labor controversies during the past 15 years.

Acquisitions and Dispositions of Businesses

On June 16, 1964 TRW acquired the business and substantially all of the assets of Marlin-Rockwell Corporation ("MRC") in exchange for 348,887 shares of TRW Common Stock and 348,887 shares of TRW Series A Preference Stock and the assumption of substantially all of MRC's liabilities. On the same date it acquired the business and substantially all of the assets of Ross Gear and Tool Company ("Ross") in exchange for 305,108 shares of TRW Common Stock and 216,218 shares of TRW Series A Preference Stock and the assumption of substantially all of the Ross liabilities. On the basis of a closing price for TRW's Common Stock on the New York Stock Exchange of $53.125 and a "when issued" price of $104 for the Series A Preference Stock on that date, the securities issued in exchange for MRC had a value of $53.4 million and the securities issued in exchange for Ross had a value of $37.8 million. MRC manufactured and sold precision ball bearings in a range of sizes and precision roller bearings. For the year ended June 30, 1963 the net sales of MRC were $44,207,499 and its net income was $3,449,200, and its net worth was $32,188,708 on such date. Ross manufactured and sold hydrostatic and mechanical steering components and assemblies for many types of vehicles. For the year ended November 30, 1963 the net sales of Ross were $32,252,348 and its net income was $2,312,288, and its net worth was $20,362,268 on that date. The foregoing description of the MRC and Ross acquisitions has not been restated to give effect to the 2-for-1 split of the TRW Common Stock in December, 1964.

In 1966 TRW acquired the business and assets of two domestic companies engaged, respectively, in the manufacture and sale of transformers and quartz crystal products and in 1967 TRW acquired the business and assets of two domestic companies engaged, respectively, in the production and sale of iron castings and miniature electric motors.

In 1963 and 1964 TRW disposed of the assets and businesses of several of its divisions through which it had engaged in the manufacture and sale of computers, recording equipment, equipment for the numerical control of machine tools, and other products

As of November 16, 1967, an agreement was entered into between TRW and certain stockholders of Hazleton Laboratories Incorporated ("Hazleton") who hold approximately 80% of its capital stock, pursuant to which TRW will make an exchange offer to all of the Hazleton stockholders to acquire the stock of Hazleton in exchange for TRW Common Stock on a basis which, if accepted by all Hazleton stockholders, would result in the issuance of a maximum of approximately 59,000 shares of TRW Common Stock. Hazleton supplies research and other services and products, principally in fields related to environmental health. As of October 31, 1967, an agreement was entered into between TRW and Mission Manufacturing Company ("Mission") for the acquisition by a proposed TRW subsidiary of substantially all of Mission's assets, in exchange for 257,150 shares of TRW Common Stock and the assumption by such subsidiary of substantially all of Mission's liabilities. Mission supplies products and services for oil and gas exploration and production, and related equipment for other industrial markets. In December, 1967, TRW entered into a preliminary agreement to acquire, for approximately $9,500,000, the assets and business of a German company manufacturing valves for internal combustion engines and forged gears.

TRW has entered into an agreement dated November 29, 1967 for the acquisition by merger of United-Carr Incorporated ("United") in exchange for approximately 1,330,000 shares of TRW $4.40 Convertible Preference Stock which is the same class of stock to be issued in the merger of IRC. United owns or leases and operates plants located in eight states and in Canada, the United Kingdom and Australia. United's total consolidated sales (domestic and foreign) amounted to approximately $123,000,000 in 1966. Of such sales, approximately 90% were to industrial and commercial customers and 10% were, directly or indirectly, to the United States Government.

United manufactures and sells products such as terminal boards, connectors, printed circuit boards, tube sockets, heat sinks, shields, test jacks, lighting and switching devices, hermetic seals, and other devices used in and in connection with electrical and electronic equipment. Sales of these products accounted for approximately 45% of total sales in 1966. United manufactures and sells other products such as metal,

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plastic and combination metal and plastic fasteners, switches, knobs, plug buttons, glides, sheet metal nuts and other relatively small parts to the automotive, aircraft, household appliance, furniture, leather goods, clothing, home sewing and miscellaneous other industries and markets. Such sales accounted for approximately 55% of total sales in 1966. United encounters strong competition in the sale of virtually all of its products.

Profit margins vary among the different lines of United's products and may vary within a single product line in different years. The profit margin from Government business is generally lower than from sales in commercial and in industrial markets. During 1966, sales of electrical and electronic products accounted for a somewhat lower percentage of earnings than of sales, although all categories of such products were profitable in 1966.

United owns in fee domestic manufacturing plants, research facilities, warehouses and offices containing approximately 1.4 million square feet of floor space located on sites consisting of approximately 295 acres of land owned in fee. United also leases similar domestic properties containing approximately 380,000 square feet of floor space located on sites aggregating approximately 33 acres. Plants owned by foreign subsidiaries of United contain about 400,000 square feet of floor space located on sites aggregating about 55 acres; and those leased by foreign subsidiaries contain about 270,000 square feet of floor space located on sites totalling about 10 acres.

The agreement with United requires the favorable vote of two-thirds of the outstanding Common Stock of United for approval of the merger of United and it is anticipated that the meeting of United stockholders will be held in February, 1968. Under Ohio law, no vote of TRW shareholders is required. Under the United-TRW agreement, the consummation of such merger would be conditioned upon (a) the receipt of a ruling from the Internal Revenue Service similar in most respects to the ruling which has been requested in connection with the IRC merger, (b) the listing, subject to notice of issuance, on the New York Stock Exchange of the shares of TRW $4.40 Convertible Preference Stock to be issued in the United merger (including those to be issued upon exercise of options granted by United and to be assumed by TRW) and the TRW Common Stock to be issued upon conversion of such Preference Stock, (c) the absence of claims, litigation, proceedings or governmental investigations, pending or threatened, as described in such agreement, and (d) the performance and fulfillment of certain other agreements and conditions contained in such agreement. It is contemplated that following the merger the assets and business of United will be transferred to a new subsidiary of TRW.

General

A large part of the business of TRW involves the development and application of advanced technology. In its domestic operations TRW employs approximately 5,900 persons with degrees in science, mathematics or engineering of whom over 2,000 have advanced degrees, including approximately 385 with degrees of Ph.D. or the equivalent.

The principal raw materials used by TRW are steel, stainless steel, titanium, special alloys, aluminum, magnesium, and copper wire. TRW also purchases various types of component parts. TRW believes that its sources of supply of raw materials and components are adequate for its needs.

Profit margins vary among the various lines of TRW's business and may vary within a single product line from year to year. Government business generally carries lower profit margins than sales in commercial and industrial markets. During 1966, sales in the space and advanced systems and aircraft products fields accounted for a somewhat lower percentage of earnings than of sales. All product categories described above were profitable in 1966.

Government contracts and related customer orders have been and are generally subject to statutory and contractual profit limitations, including the limitations imposed by the Renegotiation Act of 1951. See Note G to TRW Financial Statements.

Properties

The domestic and Canadian manufacturing plants, research facilities, warehouses and offices owned by TRW contain approximately 6.4 million square feet and are located on sites consisting of approximately 1,500 acres of land owned in fee. TRW also leases similar domestic and Canadian properties containing approximately 6 million square feet located on sites aggregating approximately 1,700 acres. The principal

owned and leased domestic and Canadian properties of TRW are located in California, Connecticut, Illinois, Indiana, Michigan, Missouri, Nebraska, New York, Ohio, Ontario, Pennsylvania, Tennessee and Texas.

TRW also operates manufacturing plants in Argentina, Australia, Brazil, France, Germany, Italy, Mexico, South Africa, Taiwan and the United Kingdom. Of these plants, those owned by TRW contain about 2.4 million square feet located on sites aggregating about 330 acres; and those leased contain about 420,000 square feet located on sites totalling about 20 acres.

The buildings occupied by TRW are principally of brick, steel, reinforced concrete and concrete block construction and have adequate transportation facilities. TRW's buildings, machinery and equipment are well maintained and are in satisfactory operating condition.

Certain real properties owned by TRW are subject to mortgages securing indebtedness aggregating approximately $11,600,000.

During the five years ended December 31, 1966 the following capital expenditures were made by TRW:

Year Ended December 31	Capital Expenditures (1)			Net Book Value of Assets Retired or Sold
	Land and Buildings and Leasehold Improvements	Machinery and Equipment	Total	
1962	$15,535,333	$12,429,610	$27,964,943	$ 1,334,892
1963	2,873,427	10,598,741	13,472,168	3,493,117
1964	3,406,701	16,434,648	19,841,349	4,165,456
1965	3,975,861	24,722,259	28,698,120	662,116
1966	8,895,539	33,950,125	42,845,664	3,287,180

(1) Excludes property accounts of acquired companies as of dates of acquisition.

TRW presently estimates that its capital expenditures during 1967 have approximated those in 1966.

In 1967 TRW entered into a lease commitment for a new building for its space, systems engineering and advanced research operations having, upon occupancy, an annual rental of approximately $500,000. In addition, TRW made arrangements during 1967 for a long-term lease of land on which new facilities for such operations will be constructed from time to time and leased by TRW as the volume of business requires. Commitments were made during 1967 for the construction of two such buildings, and the aggregate annual rental for such land and buildings is expected to be approximately $1,600,000.

During 1967 TRW has entered into lease commitments for equipment, principally for use in its vehicle and aircraft component manufacturing operations, on which the annual rate of rentals are initially approximately $1,200,000, declining thereafter.

The Government furnishes a substantial amount of machinery and equipment for use by TRW, primarily for the manufacture of products for military use. As of January 1, 1967 the acquisition and installation costs of such facilities installed and in use totalled approximately $77,000,000. The Government-owned facilities are held by TRW primarily under contracts which provide, among other things, that TRW shall maintain the facilities in good repair at its own expense, that the Government may recall the facilities at any time, that TRW shall pay rent for the use thereof (except in the performance of certain Government contracts which authorize no-charge use) and that TRW shall not use the facilities for the performance of non-Government contracts without prior consent. Aggregate rentals incurred by TRW for use of such facilities were approximately $1,072,000 in 1964, $1,011,000 in 1965, and $2,165,000 in 1966.

INFORMATION CONCERNING DIRECTORS AND OFFICERS OF TRW

The following table sets forth, with respect to each of the Directors of TRW, his principal occupation, the period during which he has served as a Director of TRW, the number of shares of TRW's outstanding Common Stock which he beneficially owned, directly or indirectly, on October 31, 1967, and the term for which he is a Director. None of the Directors on that date beneficially owned directly or indirectly any other

equity securities of TRW or any of its subsidiaries. This information has been obtained in part from the respective Directors and in part from TRW's records. The Agreement names the following individuals as those who will serve as Directors of TRW immediately after the effective date of the merger of IRC. These Directors constitute the present Directors of TRW.

Name	Principal occupation (with TRW unless otherwise indicated)	Director since	Number of shares of Common Stock owned beneficially	Expiration of present term
J. D. Wright	Chairman of the Board and Chief Executive Officer	1939	51,850	1970
S. Ramo	Vice Chairman of the Board	1954	91,700	1969
H. A. Shepard	President	1957	20,160	1969
J. A. Alexander	Partner of Krieg, DeVault, Alexander & Capehart —attorneys	1964	2,957	1970
R. F. Bacher	Professor of Physics and Provost, California Institute of Technology	1962	800	1968
J. T. Brown	Vice President, Mellon National Bank and Trust Company	1962	1,000	1968
O. Chandler	Senior Vice President, The Times Mirror Company, and Publisher, Los Angeles Times	1967	500	1970
J. H. Doolittle	Consultant (former Chairman of the Board, Space Technology Laboratories, Inc.—formerly a subsidiary of TRW)	1961	28,930	1969
R. F. Mettler	Executive Vice President	1965	22,988	1968
S. C. Pace	Executive Vice President	1965	22,440	1968
E. P. Riley	Executive Vice President	1965	16,896	1968
W. S. Vaughn	Chairman, Eastman Kodak Company	1962	500	1968
J. S. Webb	Executive Vice President	1967	10,900	1970
D. E. Wooldridge	Scientist and Author (former President of TRW)	1954	43,400	1970
L. B. Worthington	Former President, United States Steel Corporation	1967	200	1970

J. D. Wright, S. Ramo and H. A. Shepard are the members, and R. F. Mettler, S. C. Pace and E. P. Riley are the alternate members, of the Executive Committee and of the Stock Option Committee of the Directors.

Remuneration and Transactions of Directors and Officers

The following table sets forth certain information for the year 1966 as to each person to whom direct aggregate remuneration paid by TRW and its subsidiaries exceeded $30,000 and who was either a Director of TRW or one of its three highest paid officers during such year, and as to all Directors and officers as a group.

Name and capacity	Direct aggregate remuneration
J. D. Wright, Chairman of the Board and Chief Executive Officer	$ 215,000
S. Ramo, Vice Chairman of the Board	172,000
H. A. Shepard, President	178,000
R. F. Mettler, Executive Vice President	132,000
S. C. Pace, Executive Vice President	89,000
E. P. Riley, Executive Vice President	125,000
H. A. Johnston, President of Marlin-Rockwell Division*	36,692
All Directors and officers as a group (50 persons including those named above)	2,802,135

*Mr. Johnston retired as an executive of TRW effective December 31, 1966.

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The following table sets forth estimated normal annual benefits payable to salaried employees of TRW, including officers, in the salary classifications specified, upon retirement at age sixty-five with thirty years or more of credited service:

Salary	Benefits
$215,000	$85,280
175,000	69,280
130,000	51,280
125,000	49,280
90,000	35,280

H. A. Johnston is receiving an annual benefit of $7,453 under the retirement income plan covering him and an equal benefit will be paid to his wife for her lifetime if she survives him. Effective as of January 1, 1967, Mr. Johnston has been receiving $1,150 a month under a deferred compensation contract, and such payments will continue for 15 years from that date or until his earlier death, in which event his widow will receive $575 a month for the balance of such 15-year period, or until her earlier death.

J. D. Wright has entered into three agreements with TRW under which he agreed to devote full time to serving as Chairman of the Board and Chief Executive Officer of TRW for the years 1966, 1967 and 1968, respectively, for such compensation as may be determined by the Directors, but in no event less than $125,000 for 1966 and 1967, respectively, and $165,000 for 1968, payable during the course of each year, plus deferred monthly payments of $600 payable under each agreement over a period of seven years commencing after he ceases to be an employee of TRW whether by reason of retirement, death or otherwise. It is a condition of such monthly payments that Mr. Wright shall not directly or indirectly engage for the first, second and third years, respectively, following his termination of employment in any business competitive with the business of TRW or any of its subsidiaries without the consent of the Directors. In the event of his death prior to receipt of all monthly payments due under the agreements, the remainder of such payments will be made to his designated beneficiary. The current agreement may be terminated by either party on 60 days notice, in which case the deferred compensation thereunder shall be proportionately reduced. The Directors of TRW have also approved another agreement with Mr. Wright under which he would agree to render consulting and advisory services to TRW for a limited portion of his time during the fifteen years following his retirement, for compensation of $25,000 annually during the first ten years after his retirement and during the five years thereafter for compensation of $5,000 annually. The payments of $25,000 annually would not be affected by the disability or death of Mr. Wright whenever occurring and in the event of his death the remaining payments of $25,000 annually would be paid to his designated beneficiary. The payments of $5,000 annually would cease upon the death of Mr. Wright or his inability on account of disability to render such consulting and advisory services, except for the pro rata portion of the next annual payment which would otherwise have been payable to Mr. Wright as attributable to the period prior to such death or disability. The agreement by Mr. Wright to perform such consulting and advisory services may be terminated at any time by Mr. Wright upon written notice to TRW in which event TRW shall have no further obligations under the agreement.

Since January 1, 1966, all Directors other than salaried officers of TRW have been receiving a retainer fee at the rate of $4,000 a year while serving as a Director, and an attendance fee of $250 for each meeting of the Directors attended. Salaried officers who serve as Directors do not receive any additional compensation for such service as Directors. The aggregate amount which will be paid to all present Directors by TRW, on an annual basis, as Directors' retainer fees (but not including attendance fees for attendance at meetings of Directors), will be $32,000.

The Mellon National Bank and Trust Company (the "Mellon Bank"), of which J. T. Brown is a Vice President, has from time to time loaned money or extended credit to TRW. As of November 3, 1967 there was outstanding a $500,000 loan to TRW from the Mellon Bank currently bearing interest at 6%. The Mellon Bank as trustee is the owner of a 48-acre parcel and a 38-acre parcel at Redondo Beach, California, occupied under lease by TRW, and as agent for others it supplied $7,000,000 of trust-deed

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financing (5% Trust-deed Notes due June 1, 1982) to TRW in connection with the acquisition by TRW of a 24-acre parcel at that location. The aggregate rental paid by TRW during 1966 for the two leased parcels was $1,645,954 which, in the opinion of management, was substantially the same as would have been paid if the leases had been with non-associated persons. The Mellon Bank is currently serving as trustee under a pension plan of TRW.

Optioned Stock Purchased

During the period from January 1, 1966 through November 1, 1967, TRW Common Stock was purchased from TRW upon the exercise of stock options by the Directors and officers named in the foregoing table of remuneration as follows:

Name	Date of purchase	Number of shares	Purchase price per share	Market value per share*
J. D. Wright	5-18-66	13,500	$22.215	$41.50
	5-18-66	6,500	23.295	41.50
	8-16-67	14,000	22.215	74.50
S. C. Pace	2-7-66	8,250	18.885	47.625
	2-8-67	2,750	18.885	53.875
E. P. Riley	1-16-67	1,925	18.885	47.25

* Closing prices of TRW's Common Stock on the New York Exchange on the purchase dates.

During the same period TRW Common Stock was purchased from TRW upon the exercise by other Directors or officers of stock options as follows:

Date of purchase	Number of shares	Purchase price per share	Date of purchase	Number of shares	Purchase price per share
1-6-66	400	$18.16	2-13-67	660	$18.07
1-7-66	2,200	20.045	2-14-67	200	22.80
1-20-66	260	18.885	3-10-67	500	27.75
3-31-66	500	27.75	3-28-67	250	47.75
4-27-66	250	34.00	5-2-67	250	34.00
4-29-66	2,300	25.695	5-17-67	3,960	18.16
5-10-66	250	20.045	5-17-67	1,320	21.93
5-13-66	3,000	23.295	5-17-67	3,200	23.65
5-24-66	3,000	23.295	5-17-67	1,980	26.03
6-20-66	2,000	18.16	5-17-67	1,760	23.57
6-20-66	1,650	22.215	5-22-67	800	22.215
7-1-66	440	23.57	5-25-67	250	47.75
7-1-66	250	34.00	5-29-67	480	18.16
7-1-66	500	27.75	7-7-67	1,250	30.375
8-15-66	1,100	18.885	7-12-67	4,000	18.16
8-16-66	2,200	18.885	7-17-67	660	18.07
8-16-66	550	18.885	8-15-67	500	18.07
11-7-66	1,080	20.045	10-3-67	220	18.16
11-7-66	660	20.045	10-5-67	200	22.80
1-13-67	1,000	28.50	10-5-67	2,000	31.25
1-13-67	1,760	18.07	10-9-67	4,125	25.75
2-3-67	500	18.07	10-24-67	2,000	31.25
2-13-67	735	24.93	11-1-67	2,000	34.875

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Price Ranges

The price ranges of TRW's Common Stock on the New York Stock Exchange during this period were as follows:

1966 First quarter	1966 Second quarter	1966 Third quarter	1966 Fourth quarter	1967 First quarter	1967 Second quarter	1967 Third quarter	1967 Fourth quarter through November 1
40.50-50.25	40.75-50.50	41.25-48.125	37.25-48.75	44.00-61.625	56.375-79.75	64.25-82.50	80.25-99.00

New Stock Options

The only new stock options granted to officers or Directors since January 1, 1966 consisted of options authorized on December 27, 1965 and granted on January 21, 1966 to R. F. Mettler for 5,000 shares and to five other officers and two assistant officers for an aggregate of 12,250 shares, at the option price of $47.875 per share, an option for 653 shares granted to an assistant officer on October 18, 1966 at the option price of $43.50 per share, options granted on August 4, 1967 to eight officers and three assistant officers for an aggregate of 17,600 shares at the option price of $75.125 per share, options granted on August 17, 1967 to one officer and one assistant officer for an aggregate of 2,300 shares at the option price of $72.625 per share, options granted on August 24, 1967 to E. P. Riley for 5,000 shares, to J. S. Webb for 5,000 shares, and to S. C. Pace for 3,000 shares at the option price of $65.75 per share, and options granted on September 11, 1967 to seven officers for an aggregate of 8,300 shares at the option price of $71.75 per share. The option price in each instance was equal to the market value per share on the date of grant, based on the closing price of TRW Common Stock on the New York Stock Exchange. Such options become exercisable to the extent of one-fourth of the shares for each full year of continuous employment following the date of authorization or grant, and expire five years after such date, subject to expiration upon earlier termination of employment other than through permitted retirement. If the proposed 2-for-1 stock split described in "**Proposed TRW Action**" on page 3 becomes effective, the shares covered by the aforementioned options would be doubled and the option prices would be reduced to one-half the option prices described.

Employment and Consulting Contracts

At the time the Agreement was executed, TRW entered into a five-year Employment Contract with Wilson H. Oelkers, President of IRC, providing for annual base compensation of $60,000 and guaranteed additional annual incentive compensation of at least $20,000 and continuation of post-employment benefits under a formula substantially similar to that provided in his present employment contract with IRC described in footnote (c) under "**MANAGEMENT OF IRC**"—"**Remuneration**" on page 36. Such Contract also provides that if by reason of his employment by TRW he forfeits certain benefits in lieu of cancelled stock options under a contract with a former employer, TRW will give him equivalent benefits. At the same time TRW entered into a five-year Consulting Contract with Edward S. Weyl, Chairman of the Board of IRC, providing for annual compensation of $65,000 for a term of five years and for assumption by TRW of the post-employment benefits to which Mr. Weyl is entitled under a contract with IRC referred to in footnote (e) under "**MANAGEMENT OF IRC**"—"**Remuneration**" on page 36. In 1966 Mr. Weyl received a base salary of $50,000 from IRC plus $25,000 under IRC's Profit-Sharing Bonus Plan for Top Management, and it is expected that he will receive at least $22,500 from the Plan in 1967. Since in 1968 Mr. Weyl will to the date the merger becomes effective receive only base salary from IRC, TRW has agreed to pay him, in lieu of any payment under the Plan, a pro rata share of $15,000 from the beginning of 1968 to the effective date of his Contract with TRW. Both contracts are conditioned on the consummation of the merger.

DESCRIPTION OF STOCK OF TRW

Under its present Amended Articles of Incorporation, TRW is authorized to have outstanding 23,811,908 shares, classified as follows:

61,908 shares of 4% Cumulative Preferred Stock of the par value of $100 each (hereinafter called "4% Cumulative Preferred Stock");

750,000 shares of Serial Preference Stock without par value (hereinafter called "Serial Preference Stock");

3,000,000 shares of Serial Preference Stock II without par value (hereinafter called "Serial Preference Stock II"); and

20,000,000 shares of Common Stock of the par value of $2.50 each (hereinafter called "Common Stock").

See "**Proposed TRW Action**" on page 3.

DESCRIPTION OF TRW SERIAL PREFERENCE STOCK II

References herein to Serial Preference Stock II are to any and all series of such stock (including Series 1 and Series 2 Serial Preference Stock II) and the first two series thereof are herein referred to, respectively, as Series 1 or Series 1 Serial Preference Stock II and Series 2 or Series 2 Serial Preference Stock II.

Rank with Respect to Other Shares of Serial Preference Stock II and Shares of Serial Preference Stock

All shares of Serial Preference Stock II shall be of equal rank and shall be identical, except in respect of the particulars which may be fixed and determined by the Board of Directors as hereinafter set forth under "**Particulars Which May Be Fixed and Determined by the Board of Directors**". Each share of each series of Serial Preference Stock II shall be identical in all respects with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Serial Preference Stock II shall also be of equal rank and shall be identical with shares of Serial Preference Stock except in respect of (i) such particulars which may be fixed and determined by the Board of Directors, (ii) the amount which the holders of Serial Preference Stock of any series are entitled to receive in case of involuntary liquidation, dissolution or winding up of the affairs of TRW as hereinafter set forth in the first paragraph under "**DESCRIPTION OF TRW SERIAL PREFERENCE STOCK**"—"**Liquidation Rights**", on page 29, and (iii) the voting rights and provisions for consents relating to Serial Preference Stock II, as hereinafter summarized under "**DESCRIPTION OF TRW SERIAL PREFERENCE STOCK II**"—"**Voting Rights**", on page 24.

Particulars Which May Be Fixed and Determined by the Board of Directors

The authorized and unissued shares of Serial Preference Stock II may be issued from time to time in one or more series, with such series designation, number of shares of the series, dividend rate, dividend payment dates, redemption rights and prices (if any), sinking fund provisions (if any), amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up, conversion rights (if any) and restrictions (in addition to those hereinafter summarized under "**DESCRIPTION OF TRW SERIAL PREFERENCE STOCK II**"—"**Voting Rights**") on the issuance of shares of the same series or of any other class or series, all as the Directors may determine by amendment to the TRW Articles of Incorporation.

The Directors of TRW have authorized the establishment of the first two series of Serial Preference Stock II designated, respectively, Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 and Series 2 (TRW $4.40 Convertible Preference Stock). The only reason for establishing these two series of Serial Preference Stock II and the only difference between the two series arises from the fact that, under the present TRW Articles of Incorporation, dividends are cumulative from and after the date of issuance of Serial Preference Stock II and the fact that such stock to be issued in the proposed merger of IRC and the proposed merger of United will be issued on different dates unless the effective date of the two mergers is the same. Dividends payable for a full quarterly period on Serial Preference Stock II issued in the proposed merger of IRC and the proposed merger of United will accrue from the same date beginning with the first full quarterly dividend period after both mergers have become effective. Series 2 will be issued pursuant to the Agreement if the merger of IRC becomes effective otherwise than on the day on which the proposed merger of United becomes effective or otherwise than on the 16th day of any March, June, September or December subsequent to the day on which the proposed merger of United becomes effective. The Agreement provides that, in the event Series 2 is initially issued, TRW will, after both mergers have become effective, use its best efforts to amend its then effective Amended Articles of Incorporation at its first shareholders' meeting held more than 90 days after the last of such mergers so as to cause each share of Series 2 outstanding at the time such amendment becomes effective to be changed into one share of Series 1. Reference is made to the Agreement for the express terms of the Series 1 and Series 2 Serial Preference Stock II.

Restrictions

Reference is made to "**DESCRIPTION OF TRW 4% CUMULATIVE PREFERRED STOCK**" and "**DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS**", hereinafter set forth, for restrictions on the declaration or payment of dividends on, the purchase, redemption or retirement of, and the distribution of any assets to the holders of or any distribution on, Serial Preference Stock II.

Priority

Serial Preference Stock II ranks, as to dividend and liquidation rights, junior to TRW 4% Cumulative Preferred Stock but senior to its Common Stock.

All shares of Serial Preference Stock II shall be of equal rank and shall be identical with shares of Serial Preference Stock with the exceptions hereinbefore noted under "**Rank with Respect to Other Shares of Serial Preference Stock II and Shares of Serial Preference Stock**".

In case the net assets of TRW legally available therefor are insufficient to permit the payment on all outstanding shares of Serial Preference Stock II and Serial Preference Stock of the full preferential amount to which they are respectively entitled on liquidation, dissolution or winding up of the affairs of TRW, then such net assets shall be distributed ratably to all outstanding shares of Serial Preference Stock II and Serial Preference Stock in proportion to the full preferential amount to which each such share is entitled.

Number of Shares

The number of authorized shares of Series 1 and Series 2 Serial Preference Stock II will be, respectively, 1,820,000 and 410,000, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Directors of TRW.

Voting Rights

The holders of all Serial Preference Stock II are entitled to one vote for each share and cumulative voting for the election of Directors is provided for by Ohio law, and, except as otherwise provided in TRW's Articles of Incorporation or required by law, the holders of Serial Preference Stock II, the holders of Serial Preference Stock and the holders of Common Stock shall vote together as one class on all matters, subject to the special voting rights conferred upon the holders of 4% Cumulative Preferred Stock and Serial Preference Stock. If TRW defaults in the payment of the equivalent of six full quarterly dividends on all shares of Serial Preference Stock II at the time outstanding, the holders of Serial Preference Stock II of all series, voting separately as a class and in addition to all other rights to vote for Directors, shall be entitled to elect three Directors of TRW until all accrued dividends on Serial Preference Stock II have been paid.

The consent or vote of the holders of at least two-thirds of the outstanding Serial Preference Stock II is necessary to effect (i) any amendment, alteration or repeal of any of the provisions of TRW's Articles of Incorporation or of its Regulations which affects adversely the voting powers, rights or preferences of the holders of Serial Preference Stock II or reduces the time for any notice to which they may be entitled, or (ii) the authorization or creation of, or the increase in the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to the Serial Preference Stock II, or (iii) the purchase or redemption (for sinking fund purposes or otherwise) of less than all the Serial Preference Stock II then outstanding except in accordance with a stock purchase offer made to all holders of Serial Preference Stock II, when any dividends or sinking fund obligations (if any) on the Serial Preference Stock II are in arrears.

The consent or vote of the holders of at least a majority of the outstanding shares of Serial Preference Stock II is necessary to effect (i) the sale, lease or conveyance by TRW of all or substantially all of its property or business or the voluntary parting with the control thereof, or its consolidation with or merger into any other corporation, unless the resulting corporation will have no shares authorized or outstanding ranking prior to or on a parity with the Serial Preference Stock II except the same number of shares ranking prior to or on a parity with Serial Preference Stock II and having the same rights and preferences as the shares authorized and outstanding immediately preceding such consolidation or merger, and each holder of Serial Preference Stock II immediately prior thereto receives the same number of shares, with the same rights and preferences, of the resulting corporation, or (ii) the authorization of any shares ranking on a parity with the Serial Preference Stock II or any increase in the authorized number of shares of Serial Preference Stock II.

Redemption Provisions

The Series 1 and Series 2 Serial Preference Stock II will not be redeemable prior to March 15, 1974, but thereafter TRW may from time to time redeem all or any part thereof at the option of the Directors, subject to the limitations hereinafter summarized under "**DESCRIPTION OF TRW 4% CUMULATIVE PREFERRED STOCK**" and "**DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS**". The redemption price, together in each case with accrued dividends to the redemption date, will be

$112.00 per share if the redemption date is during the twelve month period beginning March 15, 1974 and will be $2.00 per share less during each succeeding twelve month period beginning March 15, 1975 until a redemption price of $104.00 per share is reached, which price will be applicable to redemptions on and after March 15, 1978.

If less than all outstanding shares of Serial Preference Stock II are to be redeemed, TRW will select by lot the shares so to be redeemed in such manner as the Directors shall prescribe.

Liquidation Rights

The holders of Series 1 and Series 2 Serial Preference Stock II shall, in case of any involuntary liquidation, dissolution or winding up of the affairs of TRW, be entitled to receive in full out of the assets of TRW, including its capital, before any amount shall be paid or distributed among the holders of TRW Common Stock or any other shares junior to the Serial Preference Stock II, the amount of $104.00 per share plus all dividends accrued and unpaid thereon to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up.

The holders of Series 1 and Series 2 Serial Preference Stock II shall, in case of any voluntary liquidation, dissolution or winding up of the affairs of TRW, be entitled to receive in full out of the assets of TRW, including its capital, before any amount shall be paid or distributed among the holders of TRW Common Stock or any other shares junior to the Serial Preference Stock II, $112 per share if prior to March 15, 1974 and, if thereafter, an amount equal to the redemption price for Series 1 and Series 2 Serial Preference Stock II in effect on the distribution date (as hereinbefore described under "**Redemption Provisions**"), plus in each case all dividends accrued and unpaid thereon to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up.

Conversion Rights

Shares of Series 1 and Series 2 Serial Preference Stock II are convertible into shares of TRW Common Stock at the option of the holders at any time (or, in the case of shares called for redemption, until and including the close of business on the date fixed for redemption but not thereafter if payment of the redemption price has been duly provided for by such date) on the basis of $90.909 per share of Common Stock, taking each share of Series 1 or Series 2 Serial Preference Stock II at $100.00 for this purpose (1.1 shares of Common Stock for each share of Series 1 or Series 2 Serial Preference Stock II). The conversion price will be proportionately increased or decreased if TRW combines or splits the outstanding shares of Common Stock and for this purpose a stock dividend of more than 15% shall be considered a stock split. See "**Proposed TRW Action**", on page 3, which would, by reason of the proposed 2-for-1 stock split, change the base conversion price from $90.909 to $45.4545 per share of Common Stock (2.2 shares of Common Stock for each share of Series 1 or Series 2 Serial Preference Stock II). The conversion price is subject to adjustment in certain other events including the issuance or sale of Additional Shares of Common Stock for a consideration per share less than the conversion price then in effect, or without consideration. Additional Shares of Common Stock for this purpose will mean all such shares issued by TRW after November 16, 1967, other than shares issuable upon conversion of Serial Preference Stock then outstanding and other than (i) shares then or thereafter held in TRW's treasury; (ii) shares issued pursuant to any employees' stock purchase or stock option plan theretofore or thereafter adopted or approved by the TRW shareholders and shares issued pursuant to any employees' stock purchase plan or employees' stock option agreement theretofore or thereafter assumed by TRW (including shares of Common Stock issued upon the conversion of convertible securities so issued); (iii) except as set forth below, shares issued in connection with the acquisition of the properties, assets and business of another corporation, firm or other entity as a going concern and shares issued upon conversion of any convertible securities issued in connection with any such acquisition; and (iv) shares issued by way of dividend or other distribution on Common Stock excluded by the foregoing clauses (i) to (iii), inclusive, or this clause (iv) or on shares resulting from any subdivision or combination of shares so excluded. Except as provided in clause (c) below, (a) any shares of Common Stock issued in connection with any merger of IRC into TRW will constitute Additional Shares issued for a consideration equal to the conversion price in effect immediately prior to the issuance thereof; (b) in the case of the issuance of any shares of Serial Preference Stock II in connection with the proposed merger of United or IRC into TRW, any shares of Common Stock into which such Serial Preference Stock II is initially convertible will constitute Additional Shares and will be deemed to be issued at the time of the issuance of

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such Serial Preference Stock II for a consideration equal to the conversion price in effect immediately prior to the issuance of such Serial Preference Stock II; and (c) no shares of Common Stock covered by clause (a) or (b) in excess of an aggregate of 1,221,569 shares (adjusted to reflect any split or combination of, or stock dividend on, the TRW Common Stock prior to the effective dates of said mergers) will constitute Additional Shares. In the case of the issuance of Additional Shares as a stock dividend of 15% or less, the shares will be deemed to have been issued without consideration. Upon conversion, no adjustment will be made for any dividend on Series 1 or Series 2 Serial Preference Stock II or for dividends on Common Stock issued on conversion. Fractional shares of Common Stock will not be issued upon conversion, but in lieu thereof a cash adjustment will be made for the market value of any fractional interest.

Dividend Rights

The holders of Series 1 and Series 2 Serial Preference Stock II will be entitled to receive dividends when and as declared at the rate of $4.40 per share per annum, subject to the prior preference as to dividends of the 4% Cumulative Preferred Stock, on a parity with the Serial Preference Stock but in preference to the holders of Common Stock and of any other class of shares ranking junior to the Serial Preference Stock II (and subject to the dividend restrictions and other provisions hereinafter summarized under "**DESCRIPTION OF TRW 4% CUMULATIVE PREFERRED STOCK**" and "**DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS**"). Such dividends will be cumulative from the date of issuance of the shares and will be payable on the 15th day of March, June, September and December of each year. No dividends may be paid upon or declared or set apart for any Serial Preference Stock II for any quarterly dividend period unless at the same time a like proportionate dividend for the same period, ratably in proportion to the respective annual dividend rates fixed therefor, shall be paid upon or declared or set apart for all Serial Preference Stock II and all Serial Preference Stock of all series then issued and outstanding and entitled to receive such dividend.

So long as any Serial Preference Stock II is outstanding no dividends, except a dividend payable in Common Stock or other shares ranking junior to the Serial Preference Stock II, may be paid or declared nor shall any distribution be made except as aforesaid on the Common Stock or any other shares ranking junior to the Serial Preference Stock II, and no shares of Common Stock or any other shares ranking junior to the Serial Preference Stock II may be purchased, retired, or otherwise acquired by TRW (except out of the proceeds of the sale of Common Stock or other shares ranking junior to the Serial Preference Stock II received by TRW subsequent to January 1, 1964), unless (a) all accrued and unpaid dividends on Serial Preference Stock II, including the full dividends for the current quarterly dividend period, shall have been declared and paid or a sum sufficient for payment thereof set apart; and (b) there shall be no arrearages with respect to the redemption of Serial Preference Stock II of any series from any sinking fund provided for shares of such series.

Sinking Fund Provisions and Pre-emptive Rights

There are no sinking fund provisions applicable to the Series 1 or Series 2 Serial Preference Stock II, and the holders of Serial Preference Stock II will have no pre-emptive right to purchase or have offered to them for purchase any shares or other securities of TRW, whether now or hereafter authorized.

Further Calls or Assessments

The shares of Series 1 or Series 2 Serial Preference Stock II to be issued pursuant to the merger of IRC will be fully paid and non-assessable, and not subject to further calls or assessment.

Transfer Agents and Registrars

The Transfer Agents for the Series 1 and Series 2 Serial Preference Stock II will be The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York; the Registrars will be The Cleveland Trust Company and Bankers Trust Company.

DESCRIPTION OF TRW 4% CUMULATIVE PREFERRED STOCK

Reference is made to "**DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS**", hereinafter set forth, for restrictions on the payment of any dividend or any distribution on, or the purchase, redemption or retirement of, 4% Cumulative Preferred Stock.

Priority

The 4% Cumulative Preferred Stock ranks, as to dividend and liquidation rights, senior to TRW Common Stock, Serial Preference Stock and Serial Preference Stock II.

Voting Rights

The holders of 4% Cumulative Preferred Stock are not entitled to voting rights unless TRW defaults in the payment of six quarterly dividends on the shares of 4% Cumulative Preferred Stock, in which event such holders are entitled to elect one-third of the members of the Board of Directors of TRW until all accrued dividends on 4% Cumulative Preferred Stock have been paid. The consent or vote of the holders of at least a majority of the outstanding 4% Cumulative Preferred Stock is necessary to effect certain actions by TRW or its shareholders or certain TRW subsidiaries and the consent or vote of at least two-thirds of the outstanding 4% Cumulative Preferred Stock is required before certain other actions are taken by TRW shareholders, all of which actions are described in Division A of Article Fourth of Exhibit A to the Agreement.

Sinking Fund Provisions

Under the terms of its 4% Cumulative Preferred Stock, TRW is required on or before the first day of July in each year to use in the purchase or redemption of shares of such stock an amount equal to (a) ten per cent of the consolidated net earnings of TRW and its subsidiaries for the preceding calendar year after deducting dividends paid during such year on such stock, less if TRW so elects (b) amounts theretofore so expended in such purchase or redemption in excess of the amounts so required to be theretofore so expended; provided that in no year shall TRW be required so to use more than $120,000, less the deduction in (b) above.

Dividends and Distributions on and Purchases of Junior Shares

The holders of the 4% Cumulative Preferred Stock are entitled to receive dividends when and as declared at the rate of 4% per annum. Such dividends are cumulative.

Under the terms of the 4% Cumulative Preferred Stock, TRW may not declare or pay any dividend on or make or permit any subsidiary to make any purchase of any shares junior to such Preferred Stock, or distribute any of its assets to the holders of such junior shares as such holders, so long as: (1) TRW is in default in the payment of all or any part of any previous quarterly dividend on such Preferred Stock, whether or not earned or declared, or shall have failed to pay, or declare and appropriate surplus for the payment of, the current quarterly dividend upon such Preferred Stock; or (2) TRW is in default in expending amounts in the retirement of such Preferred Stock as required; or (3) the aggregate amount of such payments, purchases and distributions theretofore made after December 31, 1944, together with the payment, purchase or distribution to be made, would exceed the aggregate of $1,000,000 plus (i) the consolidated net earnings of TRW and its subsidiaries after December 31, 1944, and (ii) the net consideration received by TRW after such date from the sale or other disposition of shares junior to such Preferred Stock; or (4) the consolidated net current assets of TRW and its subsidiaries are, or after such payment, purchase or distribution would be, less than $125 for each share of such Preferred Stock outstanding. Dividends payable in shares junior to such Preferred Stock are not prohibited by the foregoing.

Liquidation Rights

The 4% Cumulative Preferred Stock has prior liquidation rights over the TRW Serial Preference Stock, TRW Serial Preference Stock II and TRW Common Stock. In the event of involuntary dissolution, liquidation or winding up of TRW, the holders of 4% Cumulative Preferred Stock are entitled to receive $100 per share, or, if such event is voluntary, $107 per share, plus in each case accrued unpaid dividends to the date of distribution, before any distribution of assets may be made to the holders of TRW Common Stock, TRW Serial Preference Stock II, TRW Serial Preference Stock or any other TRW shares junior to 4% Cumulative Preferred Stock.

DESCRIPTION OF TRW SERIAL PREFERENCE STOCK

References herein to Serial Preference Stock are to any and all series of such stock (including Series A and Series B Preference Stock). The only two series thereof now outstanding are, and are herein referred to as, Series A Preference Stock and Series B Preference Stock.

Rank with Respect to Other Shares of Serial Preference Stock and Shares of Serial Preference Stock II

All shares of Serial Preference Stock shall be of equal rank and shall be identical, except in respect of the particulars which may be fixed and determined by the Board of Directors as hereinafter set forth under "**Particulars Which May Be Fixed and Determined by the Board of Directors**". Each share of each series of Serial Preference Stock shall be identical in all respects with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Serial Preference Stock shall also be of equal rank and shall be identical with shares of Serial Preference Stock II except in respect of (i) such particulars which may be fixed and determined by the Board of Directors, (ii) the amount which the holders of Serial Preference Stock of any series are entitled to receive in case of involuntary liquidation, dissolution or winding up of the affairs of TRW as hereinafter set forth under the first paragraph of "**Liquidation Rights**", and (iii) the voting rights and provisions for consents relating to Serial Preference Stock, as hereinafter summarized under "**DESCRIPTION OF TRW SERIAL PREFERENCE STOCK**"—"**Voting Rights**".

Particulars Which May Be Fixed and Determined by the Board of Directors

The authorized and unissued shares of Serial Preference Stock may be issued from time to time in one or more series, with such series designation, number of shares of the series, dividend rate, dividend payment dates, redemption rights and prices (if any), sinking fund provisions (if any), amounts payable in the event of any voluntary liquidation, dissolution or winding up, conversion rights (if any) and restrictions (in addition to those hereinafter summarized under "**DESCRIPTION OF TRW SERIAL PREFERENCE STOCK**"—"**Voting Rights**") on the issuance of shares of the same series or of any other class or series, all as the Directors may determine by amendment to the TRW Articles of Incorporation.

Two series of the Serial Preference Stock are presently outstanding designated, respectively, Series A Preference Stock and Series B Preference Stock. The Series A Preference Stock was issued in connection with the acquisitions of the businesses and assets of MRC and Ross heretofore discussed under "**BUSINESS AND PROPERTIES OF TRW**"—"**Acquisitions and Dispositions of Businesses**" and at September 30, 1967 there were outstanding 355,931 shares of Series A Preference Stock. The Series B Preference Stock was issued in connection with the acquisition in 1967 of the business and assets of a company engaged in the production and sale of miniature electric motors and at September 30, 1967 there were outstanding 85,003 shares of Series B Preference Stock. The number of authorized shares of Serial Preference Stock is 750,000.

Restrictions

Reference is made to "**DESCRIPTION OF TRW 4% CUMULATIVE PREFERRED STOCK**", hereinbefore set forth, and "**DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS**", hereinafter set forth, for restrictions on the declaration or payment of dividends on, the purchase, redemption or retirement of, and the distribution of any assets to the holders of or any distribution on, Serial Preference Stock.

Priority

Serial Preference Stock ranks, as to dividend and liquidation rights, junior to TRW 4% Cumulative Preferred Stock but senior to its Common Stock.

All shares of Serial Preference Stock shall be of equal rank and shall be identical with shares of Serial Preference Stock II with the exceptions hereinbefore noted under "**Rank with Respect to Other Shares of Serial Preference Stock and Shares of Serial Preference Stock II**", above.

In case the net assets of TRW legally available therefor are insufficient to permit the payment on all outstanding shares of Serial Preference Stock and Serial Preference Stock II of the full preferential amount to which they are respectively entitled on liquidation, dissolution or winding up of the affairs of TRW, then such net assets shall be distributed ratably to all outstanding shares of Serial Preference Stock and Serial Preference Stock II in proportion to the full preferential amount to which each such share is entitled.

Voting Rights

The voting rights of the holders of Serial Preference Stock are generally similar to the voting rights of the holders of Serial Preference Stock II, except that the holders of all Serial Preference Stock are entitled to two votes for each share.

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Redemption Provisions

The Series A Preference Stock and the Series B Preference Stock are not redeemable prior to June 15, 1969, and June 15, 1973, respectively, but thereafter TRW may from time to time redeem all or any part thereof at the option of the Directors, subject to the limitations hereinbefore summarized under "**DESCRIPTION OF TRW 4% CUMULATIVE PREFERRED STOCK**" and hereinafter summarized under "**DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS**". The redemption price of Series A Preference Stock and Series B Preference Stock, together in each case with accrued dividends to the redemption date, will be $105 per share if the redemption date is during the 12-month period beginning June 15, 1969 in the case of Series A Preference Stock and beginning June 15, 1973 in the case of Series B Preference Stock, and will be 50¢ per share less during each succeeding 12-month period beginning June 15 ($1.50 per share less in the case of Series B Preference Stock after the end of the 12-month period beginning June 15, 1980) until a redemption price of $100 per share is reached, which price will be applicable to redemptions on and after June 15, 1979 in the case of Series A Preference Stock and June 15, 1981 in the case of Series B Preference Stock.

If less than all outstanding shares of Serial Preference Stock are to be redeemed, TRW will select by lot the shares so to be redeemed in such manner as the Directors shall prescribe.

Liquidation Rights

The holders of Serial Preference Stock shall, in case of any involuntary liquidation, dissolution or winding up of the affairs of TRW, be entitled to receive in full out of the assets of TRW, including its capital, before any amount shall be paid or distributed among the holders of TRW Common Stock or any other shares junior to the Serial Preference Stock, the amount of $100 per share plus all dividends accrued and unpaid thereon to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up.

The holders of Series A and Series B Preference Stock shall, in case of any voluntary liquidation, dissolution or winding up of the affairs of TRW, be entitled to receive in full out of the assets of TRW, including its capital, before any amount shall be paid or distributed among the holders of TRW Common Stock or any other shares junior to the Serial Preference Stock, the amount of $105 per share in the event of any such voluntary liquidation, dissolution or winding up prior to June 15, 1969 with respect to Series A Preference Stock and prior to June 15, 1973 with respect to Series B Preference Stock, and thereafter an amount equal to the redemption price for Series A Preference Stock and Series B Preference Stock, respectively, in effect on the distribution date (as described under "**Redemption Provisions**", above), plus in each case all dividends accrued and unpaid thereon to the date of payment of the amount due in case of such liquidation, dissolution or winding up.

Conversion Rights

The shares of Series A Preference Stock are convertible into shares of TRW Common Stock at the option of the holders at any time on or before June 15, 1979 on the basis of $32.25 per share of Common Stock (approximately 3.1 shares of Common Stock for each share of Series A Preference Stock) and the shares of Series B Preference Stock are convertible into shares of TRW Common Stock at the option of the holders at any time on or before June 15, 1982 on the basis of $62.85 per share of Common Stock (approximately 1.6 shares of Common Stock for each share of Series B Preference Stock), taking each share of Series A and Series B Preference Stock at $100.00 for purposes of determining the conversion price. The conversion price of Series A and Series B Preference Stock is subject to adjustment under certain circumstances. See "**Proposed TRW Action**", on page 3, which would, by reason of the proposed 2-for-1 stock split, change the present conversion price of Series A Preference Stock from $32.25 to $16.125 per share of Common Stock (approximately 6.2 shares of Common Stock for each share of Series A Preference Stock) and the present conversion price of Series B Preference Stock from $62.85 to $31.425 per share of Common Stock (approximately 3.2 shares of Common Stock for each share of Series B Preference Stock). Fractional shares of Common Stock are not to be issued upon conversion but, in lieu thereof, a cash adjustment is made for the market value of any fractional interest.

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Dividend Rights

The dividend rights of the holders of Serial Preference Stock (including limitations on dividends and distributions on, and purchases, retirements or acquisitions of, Common Stock and any other shares ranking junior to Serial Preference Stock) are generally similar to and on a parity with the dividend rights of the holders of Serial Preference Stock II, except with respect to the dividend rate. The holders of Series A Preference Stock and Series B Preference Stock are entitled to receive dividends when and as declared at the rate of $4.25 per share per annum in the case of Series A Preference Stock and $5.00 per share per annum in the case of Series B Preference Stock, subject to the prior preference as to dividends of the 4% Cumulative Preferred Stock, on a parity with the Serial Preference Stock II but in preference to the holders of Common Stock and of any other class of shares ranking junior to the Serial Preference Stock (and subject to the dividend restrictions and other provisions hereinbefore summarized under "**DESCRIPTION OF TRW 4% CUMULATIVE PREFERRED STOCK**" and hereinafter summarized under "**DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS**").

Sinking Fund Provisions and Pre-emptive Rights

There are no sinking fund provisions applicable to the Series A Preference Stock or Series B Preference Stock, and the holders of Serial Preference Stock will have no pre-emptive right to purchase or have offered to them for purchase any shares or other securities of TRW, whether now or hereafter authorized.

Further Calls or Assessments

The shares of Series A Preference Stock and Series B Preference Stock outstanding are fully paid and non-assessable, and not subject to further calls or assessment.

DESCRIPTION OF TRW COMMON STOCK

Reference is made to "**DESCRIPTION OF TRW 4% CUMULATIVE PREFERRED STOCK**", "**DESCRIPTION OF TRW SERIAL PREFERENCE STOCK**" and "**DESCRIPTION OF TRW SERIAL PREFERENCE STOCK II**", hereinbefore set forth, and "**DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS**", hereinafter set forth, for restrictions on the declaration or payment of dividends on, the purchase, redemption or retirement of, and the distribution of any assets to the holders of or any distribution on, Common Stock and for the voting rights of such other classes of stock.

Each share of Common Stock is entitled to one vote, and cumulative voting for the election of Directors is provided for by Ohio law. All shares of Common Stock have equal rights to participate in dividends declared on that class. Holders of Common Stock have pre-emptive rights as and to the extent provided by Ohio law except with respect to shares of Common Stock required for issuance (i) in fulfillment of the provisions of any option or options or other rights to purchase TRW Common Stock granted to officers and employees of TRW or any of its subsidiaries pursuant to any stock option or employees' stock purchase plan adopted or approved at any meeting of shareholders by a majority vote of the shareholders of TRW entitled to vote thereon, or (ii) in connection with conversion of any series of Serial Preference Stock or Serial Preference Stock II. The outstanding shares of Common Stock are fully paid and non-assessable.

The Transfer Agents for TRW's Common Stock are The National City Bank of Cleveland and Morgan Guaranty Trust Company of New York; the Registrars are The Cleveland Trust Company and The Chase Manhattan Bank.

DESCRIPTION OF TRW INDENTURES AND CREDIT AGREEMENTS

Additional direct or indirect restrictions on dividends and other distributions on, or purchase, redemption or retirement of, capital stock of TRW are set forth in certain indentures and credit agreements to which TRW is a party. The following is a brief summary of these restrictions:

The Indenture dated as of April 1, 1951 between TRW and The Cleveland Trust Company, Trustee, pursuant to which TRW has issued its outstanding Twenty Year 3¼% Debentures Due 1971, and the Indenture dated as of April 1, 1967 between TRW and Bank of America National Trust and Savings Association, Trustee, pursuant to which TRW has issued its outstanding 5½% Debentures Due 1992, both provide that TRW will not pay any dividend or make any distribution on its stock of any class (other than in stock of TRW) or make, or permit any Consolidated Subsidiary (as defined) to make, any payment

(other than in stock of TRW) for the purchase, redemption or retirement of stock of TRW if, after giving effect thereto, the total of all such dividends and payments since December 31, 1966 would exceed $25,000,000 plus Consolidated Net Income (as defined) since that date, plus the net consideration from the issue or sale of stock of TRW and the aggregate principal amount of debt converted into stock since that date. The foregoing restriction does not apply to dividends or sinking fund payments in respect of preferred stock (but payments so made are to be included in the foregoing calculations); redemption or retirements of shares by exchange for, or out of the proceeds of the substantially concurrent sale of, other shares; the purchase of shares with moneys accumulated for such purpose pursuant to certain employee benefit plans approved by shareholders; or the conversion of shares of any class into shares of any other class.

The Indenture dated as of August 1, 1957 between TRW and Bankers Trust Company, Trustee, pursuant to which TRW has issued its outstanding 4⅞% Subordinated Debentures Due 1982, provides that TRW will not pay any dividend or make any distribution on its capital stock (other than in stock of TRW) or make or permit any Subsidiary (as defined) to make any payment (other than in stock of TRW) to purchase, redeem or retire stock of TRW if, after giving effect thereto, the total of all such dividends and payments after December 31, 1956 would exceed $10,000,000 plus consolidated net income after that date and plus the net consideration from the issue of stock of TRW and the principal amount of debt (including the 4⅞% Debentures) converted into stock since that date.

The Indenture dated as of July 1, 1961 between TRW and The First National City Bank of New York, Trustee, pursuant to which TRW has issued its outstanding Twenty-five Year 5¼% Debentures Due 1986, provides that TRW will not pay any dividend or make any distribution on its capital stock (other than in stock of TRW) or make or permit any Subsidiary (as defined) to make any payment (other than in stock of TRW) to purchase, redeem or retire stock of TRW if, after giving effect thereto, the total of all such dividends and payments after December 31, 1960 would exceed $12,500,000 plus consolidated net income after that date and plus the net consideration from the issue of stock of TRW and the principal amount of debt converted into stock since that date.

Under the most restrictive interpretation of the covenants expressly limiting dividends in the four Indentures heretofore referred to, retained income at September 30, 1967 was unrestricted thereby to the extent of approximately $76,500,000.

The provisions of several credit agreements with banks and loan agreements with an insurance company to which TRW is subject require that it maintain consolidated net current assets of not less than an amount specified in the particular agreement. Refundable short-term indebtedness of TRW presently is excludable from the calculation of consolidated net current assets under all such agreements. The largest minimum amount of consolidated net current assets required to be maintained under any of such agreements is $100,000,000. These agreements also require TRW to maintain consolidated net worth (including the principal amount of its outstanding 4⅞% Debentures) at least equal to the sum of its consolidated long-term debt plus the unamortized rentals under certain long-term leases of TRW and its subsidiaries. In addition, under the provisions of credit agreements with one bank, TRW is required to maintain consolidated net tangible assets of at least 220% of consolidated long-term debt.

Within the restrictions summarized in the preceding paragraph, TRW at September 30, 1967 would have been permitted to declare dividends to the maximum amount of approximately $49,000,000.

There is no assurance as to future dividends since they are dependent on earnings, the financial condition of TRW, and other factors.

See Note B to the Financial Statements of TRW hereinafter set forth for information concerning maturities and sinking fund requirements under long-term debt of TRW.

BUSINESS AND PROPERTIES OF IRC

IRC was incorporated in Delaware in 1925 and adopted its present name in 1965. IRC was founded to manufacture resistors for the radio industry, which was then in its initial rapid growth stage. After 1930, IRC expanded its line to produce resistors for the electrical and electronics industries generally. It

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now manufactures and sells a complete line of resistors. In addition, it manufactures a variety of other electronic components, including selenium rectifiers, precision potentiometers, trimmer potentiometers, zener diodes, silicon rectifiers and silicon controlled rectifiers.

Fixed Resistors

A resistor is a small, precise, complex component which limits and controls the flow of electric current through a circuit, much as pipes and valves limit and control the flow of liquids. Resistors are components used in nearly all electronic systems and in a number of electric systems. The resistors which IRC produces may be grouped into several classes, each having its own particular characteristics which make it suitable for various end uses, and each including a large number of types and sizes having various ranges and tolerances. The most important classes are:

1. *Fixed Composition Resistors.* This class consists of carbon composition material applied on small glass tubes. Wire leads are attached as terminals and the resistor is covered with a protective plastic material. This is the basic resistor on which IRC's business was founded and is most widely used in the television and radio industry.

2. *Precision Film Resistors.* This class includes both deposited carbon and metal film resistors, which consist of a thin film of carbon or metal deposited on a ceramic slug and covered with a plastic material. This class of resistor offers considerably higher precision and greater stability than composition resistors. They are widely used in industrial and military applications.

3. *Fixed Wire Wound Resistors.* This class consists of special resistance wire wound on various forms such as fiberglass, plastic, and ceramic. Some types are covered with a plastic material and others with cement, including IRC's Resisteg coating. The types produced include low power, medium power flat, high power, and precision resistors. This class is used in instrumentation, industrial systems and automotive applications.

4. *Metal Glaze Resistors.* This class of resistor is made from a thick film of metal alloy fused to a crystalline ceramic substrate. This resistor lends itself to a variety of applications requiring performance and characteristics better than a carbon composition unit, but at a cost lower than a precision film unit.

Other Products

In addition to its basic line of fixed resistor products, IRC makes a variety of other electronic components which include the following:

1. *Precision Potentiometers.* A potentiometer, basically, is a variable resistor used for making precisely controlled variations in the resistance in an electronic circuit. The resistance element in the potentiometer is a precision-drawn alloy wire that is wound on an insulated copper core. The techniques developed by IRC in manufacturing fixed wire wound resistors have been successfully applied in making these potentiometers. The basic precision potentiometer manufactured by IRC is manually adjustable.

2. *Trimmer Potentiometers.* IRC has developed a line of very small precision trimmer potentiometers, in which the resistance setting is varied by screwdriver or fingertip adjustment. These potentiometers are available in a variety of sizes and configurations and contain either wire wound or metal glaze resistance elements. They have numerous mounting and adjustment variations and are appropriate for both industrial and military uses.

3. *Rectifiers and Diodes.* These semiconductor products have the property of conducting electricity in one direction only and are used principally to change alternating current into direct current. IRC manufactures them in a variety of sizes and ranges to meet the requirements of various circuits. IRC's selenium rectifiers are used in electrical measuring instruments, television and certain transistorized equipment. IRC also produces other semiconductor devices, including silicon rectifiers, zener diodes, and silicon controlled rectifiers. Devices such as these serve the functions of rectification and regulation of electrical current in commercial, industrial and military electronic equipment.

Customers

IRC has approximately 4,000 customers, principally manufacturers of electronic and electrical equipment, distributors in the replacement field, the Government and export firms. In 1966, the ten largest customers accounted for approximately 41% of total sales, with three customers accounting for approximately 22% of total sales.

Distribution of Sales by Classes of Customers:

(Expressed in percentage of total dollar sales)	1966
Radio and television manufacturers	20
Other manufacturers	58
Distributors	15
Export	4
Government (direct contracts)	3
	100%

In addition to its direct sales to the Government, IRC's products are sold to a number of equipment manufacturers who are suppliers to the Government. IRC estimates that approximately 28% of its dollar sales for 1966 were for government end use.

In 1966, sales of various types of fixed resistors accounted in the aggregate for 71.3% of IRC's total dollar sales. Variable resistors and semiconductor devices accounted for 13.7% and 7.2% respectively of total dollar sales, with all other products making up the balance of 7.8%.

Profit margins vary among the various lines of IRC's business and may vary within a single product line from year to year. Government business generally carries lower profit margins than sales in commercial and industrial markets. All product categories described under "**Fixed Resistors**" and "**Other Products**" were profitable in 1966. Government contracts and related customer orders have been and are generally subject to statutory and contractual profit limitations, including the limitations imposed by the Renegotiation Act of 1951. See Note 10 to the IRC Financial Statements.

Sales and Distribution

IRC maintains both direct sales offices and manufacturers' agents (who also sell the products of other companies) to handle the sale of its products. In addition, the IRC Distributor Division handles the sale of products to electronic distributors for resale. This Distributor Division also sells products manufactured by other companies. The most important of these are the products of CTS Corporation, which are marketed by IRC under an agreement concluded between the two companies in 1959.

IRC has four sales offices located in the following cities:

Office Location	Territory
1967 Turnbull Avenue New York, N. Y. 10473	New York State, Northern New Jersey and Southwestern Connecticut
401 North Broad Street Philadelphia, Pa. 19108	Eastern Pennsylvania, Southern New Jersey, Delaware, Maryland and Virginia
6020 West Diversey Avenue Chicago, Illinois 60639	Eastern Wisconsin, Northern Illinois
14827 Ventura Blvd. Sherman Oaks, California 91403	Southern California

In addition, IRC has manufacturer's agent coverage with headquarters in the following major cities: Boston, Mass.; Pittsburgh, Pa.; Cleveland, Ohio; Atlanta, Ga.; St. Louis, Mo.; Detroit, Mich.; Minneapolis, Minn.; Indianapolis, Ind.; Dallas, Texas; Denver, Colorado; Phoenix, Arizona; San Francisco, Calif.; and Seattle, Washington.

Foreign Operations

IRC has eight foreign licensees, five of whom have long-continuing relationships with IRC and the remaining three of whom are more recently established. Income from these licensees has been significant over the past five years, amounting to approximately $687,000 in 1966.

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Competition

IRC sells a complete line of resistors. There are a large number of competitive manufacturers of resistors, both domestic and foreign. All of IRC's resistors face substantial competition, although a number of IRC's competitors confine their operations to a small number of types of resistors. IRC also sells certain types of non-resistor products but all such products face substantial competition from a great many other companies, both large and small.

While some of IRC's customers both for resistor and non-resistor products might themselves produce such products rather than continue to purchase them from an independent source such as IRC, this has not been the practice in the resistor field. Some large original equipment manufacturers make their own semiconductor devices and others could do so.

Property Description

The following table sets forth information concerning IRC's manufacturing plants: (1)

Location	Own or Lease	Approximate Floor Area—Square Feet	Principal Products Manufactured or Assembled	Approximate No. of Employees
Boone, N. C.	Own	106,300	Wire wound resistors; metal glaze resistors; selenium rectifiers.	567
Burlington, Iowa	Lease	85,000	Precision film resistors.	676
Downingtown, Pa.	Own	18,500	Raw materials for resistor production.	6
West Lynn, Mass.	Lease	24,300	Silicon rectifiers; zener diodes; silicon controlled rectifiers.	186
	Own	44,700		
Philadelphia, Pa.	Lease	327,000	Composition resistors.	946 (2)
St. Petersburg, Florida	Own	26,100	Potentiometers.	342
	Lease	6,300		

(1) IRC also owns approximately 88 acres of undeveloped land in Worcester Township, Montgomery County, Pa.

(2) Includes executive and administrative offices, central research and engineering and Distributor Division, in addition to composition resistor plant.

The buildings occupied by IRC are principally brick, steel, reinforced concrete, and concrete block construction. All real estate that is owned is unencumbered. The properties, plants and equipment of IRC are of modern design and well maintained. A substantial portion of the machinery and equipment has been designed by IRC's engineering staff, and is used exclusively by IRC and its licensees. The machinery and equipment is owned by IRC unencumbered, except for a relatively small amount which is leased.

All of the above facilities, with the exception of the plant owned at West Lynn, Mass., are operating at normal capacity, with extra shifts in some operations.

Employee Relations

IRC regularly employs 2,700 people. IRC employs approximately 135 persons with degrees in science, mathematics or engineering, of whom approximately 35 have advanced degrees, including about 7 with degrees of Ph.D or the equivalent. IRC has contracts with unions at four plants, Philadelphia, St. Petersburg, Burlington, and West Lynn. IRC is presently negotiating a first contract with a union recently certified to represent previously non-organized employees at its Burlington, Iowa, plant. There have been no work stoppages at any of IRC's plants since they were organized, and IRC considers that its employee relations are excellent.

All of IRC's employees are covered by group life, sickness, disability and hospital insurance plans. See Note 11 to the IRC Financial Statements for information concerning IRC's retirement plans for employees.

Patents

IRC's business is not materially dependent on patents. IRC owns many patents, patent applications, and secret processes, and does have royalty and engineering service fee income from domestic and foreign licensees, but considers that its position in the industry is more dependent upon engineering skill, research and production technique than on patents.

Subsidiaries

Holyoke Wire and Cable Corporation ("Holyoke")

Holyoke was incorporated in New York in 1910 and became a wholly-owned subsidiary of IRC in April, 1967. It is engaged in the manufacture of insulated wires, cable harnesses, and cable assemblies for sale to the radio-television industries and to the computer and general instrument industries.

Holyoke's principal office and plants are located in Holyoke, Massachusetts. It owns two well maintained plants containing a total of approximately 114,000 square feet and also leases approximately 5600 square feet. Holyoke employs approximately 500 full time employees.

Hycor Company, Inc. (Puerto Rico) ("Hycor")

Hycor has been a wholly owned subsidiary since 1955. Neither IRC's investment in Hycor nor Hycor's revenue are significant, and financial data for it is not consolidated with that of IRC. Hycor manufactures precision wire wound resistors in a leased plant of approximately 14,100 square feet and employs 42 persons. All of its products are sold to IRC.

MANAGEMENT OF IRC

Directors of IRC

The following table sets forth the names and certain other information regarding the present directors of IRC:

Name	Principal Occupation	No. of shares of IRC Common Stock beneficially owned as of November 1, 1967
George I. Back	Major General, U. S. Army, Retired	400
H. Thomas Hallowell, Jr.	Chairman of the Board and President of Standard Pressed Steel Co. (manufacturer of metal fasteners)	None
Stanley R. Klion	Executive Vice President and Treasurer of IRC	500
Daumant Kusma	Senior Vice President of IRC	1,400
Jesse Marsten	Retired—Former Vice President of IRC	10,356(a)
John McDowell	Vice Chairman of the Board, The Philadelphia National Bank	None
Don G. Mitchell	Chairman of the Board, General Time Corporation (manufacturer of time-recording devices)	100
Wilson H. Oelkers	President of IRC	5,556
Walter H. Powell	Vice President of IRC	3,285
Edward S. Weyl	Chairman of the Board and General Counsel of IRC	21,315(a)
William J. Wiley	Vice President and Treasurer of SKF Industries, Inc. (manufacturer of bearings)	416
Alfred H. Williams	Retired—former President of the Federal Reserve Bank of Philadelphia	974
James W. Wolff	Partner, Zuckerman, Smith & Co. (Investments)	None(a)

(a) In addition to the shares beneficially owned by the members of the Board of Directors shown in the table above, as of November 1, 1967 the wife of Jesse Marsten owned 11,421 shares; the wife and minor children of Edward S. Weyl owned 17,435 shares; and the wife of James W. Wolff owned 1,880 shares.

Remuneration

The following table shows, for each director of IRC (including its three highest paid officers) whose direct aggregate remuneration exceeded $30,000, and for all directors and officers as a group: (i) the direct

aggregate remuneration paid by IRC and its subsidiaries during the fiscal year ended January 1, 1967; (ii) the amount accrued during the same fiscal year under IRC's retirement program; and (iii) their estimated annual benefits upon retirement.

Identity of Individual or Group and Capacities in which Remuneration Received	Aggregate Direct Remuneration(a)	Amount Accrued Under Retirement Program	Estimated Annual Benefits upon Retirement
Charles Weyl, Chairman of the Board	$ 75,000	$ 131	(b)
Wilson H. Oelkers, President	75,937(c)	1,519	6,998
Edward S. Weyl, Vice Chairman of the Board, Vice President, General Counsel, Secretary(d)	75,000	1,501	6,721(e)
Daumant Kusma, Senior Vice President	51,337	978	4,056
Walter H. Powell, Vice President	46,500	913	10,479
Edward A. Stevens, Vice President, Treasurer(d)	48,750	986	9,771(e)
All directors and officers as a group, including those named above (21 persons)	571,831	9,224	80,713

(a) The table includes amounts paid under IRC's "Profit-Sharing Bonus Plan for Top Management" which was approved by the stockholders on December 19, 1950. Payments under the Plan are paid out of a fund computed semiannually by setting aside graduated percentages of that portion of net profits before bonus and tax accruals which exceeds specified amounts. Therefore, it is impossible to predict the amount of future payments. Specific information concerning the computation of payments under the Plan is hereinafter set forth under "Bonus Plan".

(b) Mr. Charles Weyl died on August 23, 1967. Under an individual contract with Mr. Weyl which was approved by the stockholders on May 2, 1960, payments will be made to his beneficiaries during the ten years following the date of his death. Payments will be at the rate of $10,000 annually. In addition, after Mr. Weyl's death, his beneficiaries received lump sum payments of $25,718 under IRC's contributory pension plan and $3,310 under one of IRC's non-contributory pension plans.

(c) Mr. Oelkers is employed under an employment contract dated April 15, 1963, which provides for his employment until July 31, 1969. This contract, since July 6, 1964, has provided that part of Mr. Oelkers' compensation shall be paid currently and that the payment of part of it shall be deferred until the cessation of his active employment. Mr. Oelkers' deferred compensation under the contract for the fiscal year 1966 amounted to $26,898. This amount is not included in the remuneration payments shown in the table above. The amount deferred under his contract from July 6, 1964 to January 1, 1967, is $45,898. From January 2, 1967, until the termination of Mr. Oelkers' employment with IRC, his deferred compensation under the contract will be equal to one-third of his cash salary (his present rate is $56,250 per year) plus one-third of his share in the Profit-Sharing Bonus Plan for Top Management, referred to in Note (a) above. The amount deferred under the contract is subject to an annual increment depending upon his length of service with IRC. The aggregate increment as of January 1, 1967 amounted to $1,585. If Mr. Oelkers were to retire at his normal retirement age in 1974, these increments, in the aggregate would be equal to 23% of the amounts which had been deferred up to that time. Mr. Oelkers' deferred compensation will be paid to him in monthly payments of $2,100 each, with the cessation of his employment with IRC.

(d) Mr. Edward S. Weyl resigned from the offices of Vice President and Secretary on October 25, 1966. Upon the death of Mr. Charles Weyl, Mr. Edward S. Weyl automatically, pursuant to the by-laws, became Chairman of the Board of IRC. Mr. Stevens resigned from the office of Treasurer effective July 18, 1966.

Effective January 1, 1967, Stanley R. Klion was elected Executive Vice President and Treasurer at an annual base salary of $50,000. In addition, he is entitled to participate in the Profit-Sharing Bonus Plan for Top Management.

(e) On May 1, 1962, the stockholders approved the "IRC Post-Employment Benefit Plan". Eligibility in the Plan is confined to those who have served as principal officers of IRC and who can meet the age and service limitations specified in the Plan. Individual contracts have been awarded under the Plan to Mr. Stevens, Mr. Edward S. Weyl and to one officer included within the category of all directors and officers as a group in the table above. Under the terms of these contracts, payments will be made to each of them (or to their beneficiaries in the event of their death) during the ten years following the termination of their employment. Payment will be at a monthly rate equal to one-fiftieth of their highest basic annual salary during any of the three calendar years preceding the year of termination of employment. (The highest basic annual salary rates of Messrs. Stevens and Weyl during the preceding three years have been, respectively, $32,500 and $50,000). These payments are in addition to the amounts shown in the last column above. The contracts require that they be available for consultation during the period that they are receiving payments. No other contracts have been awarded under the Plan.

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The Philadelphia National Bank, of which John McDowell is Vice Chairman of the Board, acts as trustee under IRC's contributory pension plan and also for three of its four non-contributory pension plans. As such trustee it is the owner of a plant having a floor area of approximately 85,000 square feet, at Burlington, Iowa, occupied under lease by IRC.

Summary of Outstanding Options

All outstanding options under IRC's "Qualified Stock Option Plan (1965)" are "qualified stock options" as defined in Section 422 of the Federal Internal Revenue Code. The Plan provides that the option price per share shall not be less than 100% of the fair market value per share on the date of the grant of the option. An aggregate of 99,000 shares of Common Stock was made available for the grant of options under the Plan. As of October 22, 1967, 25,104 shares had been purchased under option contracts granted under the Plan, 31,682 shares were subject to outstanding unexercised options, and 42,214 unallocated shares were available for the grant of additional options. On the effective date of the merger, TRW will assume all outstanding stock options of IRC by substituting for each option to purchase shares of IRC Common Stock an option to purchase the number of shares of TRW stock into which such shares of IRC Common Stock covered by the option will be changed.

As of October 22, 1967, the following options were outstanding:

	Number of Shares	Price	Earliest Exercise Date
Currently Exercisable	14,906	$21.35	
	940	40.70	
To Become Exercisable During:			
1967	1,000	39.65	12/5/67
1968	501	36.10	4/25/68
	752	40.70	4/26/68
	3,982	21.35	5/3/68
	375	20.85	7/13/68
	1,000	39.65	12/5/68
1969	501	36.10	4/25/69
	748	40.70	4/26/69
	2,856	21.35	5/3/69
	375	20.85	7/13/69
	1,000	39.65	12/5/69
1970	499	36.10	4/25/70
	748	40.70	4/26/70
	1,000	39.65	12/5/70
1971	499	36.10	4/25/71
Total	31,682		

The table below sets forth the stock options held as of October 22, 1967 by IRC's present directors and officers:

Name	Office	Date of Expiration of Option	Number of Shares Subject to Option	Option Price per Share
Wilson H. Oelkers	President	May 2, 1970	3,900	$21.35
Stanley R. Klion	Executive Vice President	Dec. 4, 1971	4,000	39.65
Daumant Kusma	Senior Vice President	May 2, 1970	1,500	21.35
		April 24, 1972	1,000	36.10
Walter H. Powell	Vice President	May 2, 1970	1,520	21.35
Edward A. Stevens	Vice President	May 2, 1970	2,080	21.35
All directors and officers as a group, including those named above		May 2, 1970 to Dec. 4, 1971	17,910	21.35 to 39.65

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Stock Options Granted to or Exercised by Officers and Directors since January 1, 1967

On April 25, 1967, IRC granted an option to an officer to purchase 1,000 shares of Common Stock at $36.10 per share, the market price on the date of grant.

During the period January 1, 1967 through October 22, 1967, options to purchase IRC's Common Stock were exercised by officers named or included as a group in the table hereinbefore set forth under the heading "**Remuneration**", page 36, as follows:

Name	Number of Shares*	Price per Share	Market Value on Date of Purchase
Wilson H. Oelkers	2,000	21.35	38.19
Edward S. Weyl	2,080	31.63	37.25
Daumant Kusma	750	21.35	37.13
All directors and officers as a group, including those named above	6,680	21.35 to 31.63	37.13 to 39.13

* All options exercised, as shown in this table, were granted under IRC's "Qualified Stock Option Plan (1965)", except for the option for 2,080 shares exercised by Mr. Edward S. Weyl, which was a restricted stock option (as described in Section 424 of the Federal Internal Revenue Code). The option price of this restricted stock option was fixed at 95% of the fair market value per share on the date of the grant of the option. It had been granted under IRC's "Restricted Stock Option Plan For Key Employees", which Plan automatically terminated immediately after Mr. Weyl exercised his option.

Pension Plans and Benefit Plan

The officers named or included as a group under "**Remuneration**", page 36, may be participants in IRC's contributory pension plan and in an IRC non-contributory pension plan. Based on years of credited service, the pension payable under the non-contributory plan at the normal retirement age of 65 will vary from a minimum of $15.00 per month to a maximum of $78.75 per month.

Under the contributory plan, the normal retirement benefit at age 65 consists of a "past service factor" for participants whose continuous service antedates January 1, 1949 and a "future service factor" for all participants. The past service factor supplies an annual benefit of ¾ of 1% of the participant's 1950 basic salary in excess of $3,600 for each year of employment (minus two years) before January 1, 1951. The future service factor supplies an annual benefit equal to 13/40 of the total amount of the participant's contributions to the plan.

Under these pension plans, IRC, during the five-year period ending January 1, 1967, contributed $15,230 for the account of all directors and officers as a group included under "**Remuneration**", page 36, including the following amounts for the persons named in that table: $703 for Charles Weyl; $1,894 for Wilson H. Oelkers; $2,078 for Edward S. Weyl; $1,275 for Daumant Kusma; $1,494 for Walter H. Powell; and $1,563 for Edward A. Stevens.

The officers named or included as a group under "**Remuneration**" may also be participants in the IRC Post-Employment Benefit Plan described in Note (c) on page 36.

Bonus Plan

The principal officers of IRC (presently defined by the by-laws to include the Chairman of the Board, the Vice Chairman of the Board, the President, the Vice Presidents, the Secretary, and the Treasurer) are also participants in IRC's "Profit-Sharing Bonus Plan for Top Management." Currently, payments under this plan are paid out of funds computed semiannually by setting aside graduated percentages of that portion of net profits before certain bonus and tax accruals which exceeds specified amounts. Depending upon the profit levels attained, the percentages of net profits to be set aside will vary from 6.5% to 2.5%. However, amounts set aside under the plan are reduced or eliminated altogether if the consolidated net profit of IRC would amount to less than 5% of net worth after the first half of the fiscal year or less than

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10% for the full fiscal year. Under these circumstances, it is impossible to predict the amount of future payments which will be made under the plan. Amounts set aside for distribution under the plan are presently divided among all participants in proportion to the base salaries paid to them during their respective periods of participation.

Under this bonus plan, IRC during the five year period ending January 1, 1967, contributed $710,628 to all directors and officers as a group, including the following amounts to the persons named in the table under "**Remuneration**" on page 36: $115,182 for Charles Weyl; $73,275 for Wilson H. Oelkers; $95,069 for Edward S. Weyl; $36,597 for Daumant Kusma; $64,855 for Walter H. Powell; and $70,441 for Edward A. Stevens.

Letter Agreement

Certain stockholders of IRC who are directors or members of their families or members of the family of a deceased director or executors of his estate or trustees of trusts established by him, which stockholders might be considered an "affiliate" of IRC as such term is defined in Rule 133 under the Securities Act of 1933, as amended, and hence subject to the limitations on distribution imposed by Rule 133, have warranted to or agreed with TRW that no shares of TRW stock acquired by them or by any other of such stockholders in the merger of IRC or upon conversion of TRW $4.40 Convertible Preference Stock so acquired will be acquired with a view to distribution within the meaning of Rule 133, and TRW has agreed under certain conditions to register such stock in order that such stockholders may effect sales and distributions on the stock exchange or exchanges on which the TRW stock is then listed.

GENERAL

Other Offers; Fees

At the time the Board of Directors of IRC first considered the TRW merger proposal and authorized its officers to negotiate with TRW, it also considered and rejected acquisition proposals from four other companies. On the basis of the market values of the respective stocks of these companies, the value of the TRW offer was the highest at the time the Board of Directors of IRC approved in principle the proposed merger with TRW. The Board of Directors of IRC is of the opinion that the terms of the proposed merger are fair and equitable.

Insofar as finders' fees are concerned, IRC has not paid any such fee nor has any claim been asserted against it for any such fee. After the definitive ratio in the proposed IRC merger was publicly announced, IRC paid a fee of $70,000 to an investment banking firm in recognition of the fact that such firm had previously rendered substantial services to IRC in efforts to find other corporations which IRC might be interested in acquiring. Such firm did not participate in the negotiations between IRC and TRW.

TRW has agreed to pay a business brokerage firm, Arthur H. Richland Company, a fee of $250,000, if the merger becomes effective, for its services in connection with the merger. TRW has a letter agreement with another firm of brokers which has advised TRW that it will assert a claim against TRW for a fee if the merger becomes effective. In the letter agreement with such firm of brokers, in addition to other limiting provisions, the rate of compensation in excess of an amount determined by graduated rates which aggregate $200,000 on the first $10,000,000 of the purchase price has a ceiling of one-half percent and must be negotiated in each specific transaction. TRW considers that such firm is not entitled to any fee whatsoever, and if such firm continues to press the claim TRW intends to contest the payment of any fee to such firm.

IRC has paid a fee of $50,000 to Lazard Frères & Co. which, to the limited extent set forth in this Proxy Statement, acted as its financial advisor in connection with the proposed IRC merger, and whose services also included participation in fixing the terms of the TRW $4.40 Convertible Preference Stock. TRW retains on an annual basis Smith, Barney & Co. Incorporated as its financial advisor in various matters relating to TRW's operations and business.

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Voting at the Meeting

Only holders of IRC Common Stock of record at the close of business on December 4, 1967, are entitled to vote at the meeting. As of that time there were 1,613,549 shares of IRC Common Stock outstanding and entitled to vote. Each outstanding share of IRC Common Stock is entitled to one vote at the meeting.

The IRC Common Stock represented by each properly executed Proxy will be voted in accordance with the instructions given thereon, and if no instructions are given, the Proxy will be voted for the merger.

Any stockholder giving a Proxy may revoke it by giving written notice to the Secretary of IRC at any time before it is voted.

Costs of Solicitation

The costs of solicitation of Proxies will be borne by IRC. In addition to the use of the mails, Proxies may be solicited personally, by telephone and by telegraph, and IRC may reimburse brokerage firms and others for their expenses in forwarding soliciting material to beneficial owners. IRC has retained Georgeson & Co., New York, New York, to assist in the solicitation of Proxies and expects to pay such firm a fee of approximately $6,000.

Other Matters

The management is not aware of any other matters which may come before the meeting. However, if any other matters properly come before the meeting, the persons named in the accompanying Proxy will vote upon such matters in accordance with their best judgment.

By order of the Board of Directors

BARRY R. SPIEGEL
Secretary

Dated January 3, 1968

TRW-MGR-0622

REPORT OF INDEPENDENT ACCOUNTANTS

The Directors
TRW Inc.
Cleveland, Ohio

We have examined the consolidated financial statements of TRW Inc. and subsidiaries for the five years ended December 31, 1966, and the financial statements of Marlin-Rockwell Corporation for the two years ended June 30, 1963, and of Ross Gear and Tool Company, Inc. for the two years ended November 30, 1963, both of which were acquired by TRW Inc. in poolings of interests. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. It was not practicable to confirm by direct communication all amounts receivable from the United States Government and certain other customers, but we satisfied ourselves as to such amounts by means of other auditing procedures.

In our opinion, the accompanying balance sheet and statements of income and shareholders' investment present fairly the consolidated financial position of TRW Inc. and its subsidiaries at December 31, 1966, the consolidated results of their operations for the five years then ended, including the results of operations of the aforementioned companies acquired during the period in poolings of interests, and the changes in the combined shareholders' investment for the three years then ended, in conformity with generally accepted accounting principles applied on a consistent basis. The restatement of 1965, described in note (b) to the statements of consolidated income, in our opinion, is not required for conformity with generally accepted accounting principles, but we do not take exception to it.

ERNST & ERNST

Cleveland, Ohio
February 7, 1967, except as to the inclusion of companies acquired in 1967 in poolings of interests, as to which the date is June 30, 1967.

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TRW INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS	September 30, 1967	December 31, 1966 Restated to Include Noblesville and Globe (Note A)	December 31, 1966 As Previously Reported
	(Unaudited)		
Current Assets:			
Cash	$ 29,170,588	$ 34,866,476	$ 33,885,989
Marketable securities—at cost	8,550,000	4,830,000	4,830,000
Accounts receivable:			
Trade accounts	75,802,746	73,201,921	70,852,768
Reimbursable costs, fees, and claims under government contracts and sub-contracts	76,054,616	48,783,473	48,783,473
Less allowances	(1,110,329)	(1,180,752)	(1,168,352)
	150,747,033	120,804,642	118,467,889
Inventories—at lower of cost (principally first-in, first-out) or market:			
Finished products and work in process	106,479,252	113,082,902	110,164,299
Raw materials and supplies	38,812,695	41,314,601	39,042,404
	145,291,947	154,397,503	149,206,703
Prepaid expenses	8,996,897	5,098,702	4,747,908
Total Current Assets	342,756,465	319,997,323	311,138,489
Investments In Associated Foreign Companies—principally at cost	3,924,826	3,151,091	3,151,091
Property, Plant, and Equipment—on the basis of cost:			
Land	6,347,679	6,594,128	6,082,952
Buildings	112,803,106	109,785,717	107,282,413
Machinery and equipment	257,116,921	237,844,614	232,816,221
	376,267,706	354,224,459	346,181,586
Less allowances for depreciation and amortization	204,943,620	188,591,271	185,135,505
Total Property, Plant, and Equipment—net	171,324,086	165,633,188	161,046,081
Cost of Acquired Businesses in Excess of Recorded Net Assets at Acquisition Dates	40,995,622	40,562,658	40,562,658
Other Assets	8,376,782	8,078,547	7,759,621
	$567,377,781	$537,422,807	$523,657,940
LIABILITIES AND SHAREHOLDERS' INVESTMENT			
Current Liabilities:			
Notes payable	$ 16,200,043	$ 23,763,867	$ 22,263,867
Trade accounts payable	29,742,334	40,397,192	39,711,703
Accrued payroll and amounts withheld therefrom	12,978,633	15,624,078	15,456,791
Accruals for taxes and other expenses	43,306,158	34,755,965	34,065,404
Dividends payable	–0–	3,739,022	3,739,022
Income taxes	13,510,127	18,804,707	18,227,633
Amounts payable within one year on long-term debt	1,098,325	1,556,958	1,356,958
Total Current Liabilities	116,835,620	138,641,789	134,821,378
Long-Term Debt—excluding payments due currently—Note B:			
Notes payable to banks	72,530,000	91,819,445	91,819,445
3¼% Debentures due 1971	6,954,000	7,147,000	7,147,000
4⅞% Subordinated debentures due 1982—Note C	549,500	10,983,300	10,983,300
5¼% Debentures due 1986	22,975,000	23,000,000	23,000,000
5½% Debentures due 1992	50,000,000	–0–	–0–
5% Trust-deed notes due 1982	6,475,000	6,650,000	6,650,000
Other notes payable	3,980,801	4,951,031	2,551,031
Total Long-Term Debt	163,464,301	144,550,776	142,150,776
Minority Interests in Subsidiaries	2,876,316	4,217,816	4,217,816
Shareholders' Investment:			
4% Cumulative Preferred Stock, $100 par value:			
Authorized 61,908 shares			
Outstanding 61,908 shares	6,190,800	6,190,800	6,190,800
Serial Preference Stock, without par value, stated at involuntary liquidation price of $100—Note C:			
Authorized 750,000 shares			
Outstanding 355,931 shares of $4.25 Cumulative Preference Stock, Series A	35,593,100	45,378,700	45,378,700
Outstanding 85,003 shares of $5.00 Cumulative Preference Stock, Series B	8,500,300	8,505,400	–0–
Serial Preference Stock II, without par value:			
Authorized 3,000,000 shares			
Common Stock, $2.50 par value:			
Authorized 20,000,000 shares			
Reserved 1,869,967 shares—Notes C and D			
Outstanding 9,947,808 shares, excluding 592,172 shares in treasury	24,869,520	23,121,178	22,821,178
Other capital	35,181,308	15,627,057	22,585,977
Retained income—Note B	173,866,516	151,189,291	145,491,315
Total Shareholders' Investment	284,201,544	250,012,426	242,467,970
Long-Term Lease Commitments and Contingent Liabilities—Notes F and G			
	$567,377,781	$537,422,807	$523,657,940

See notes to financial statements.

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TRW INC. AND SUBSIDIARIES

STATEMENTS OF CONSOLIDATED SHAREHOLDERS' INVESTMENT

	Nine Months Ended September 30, 1967	Year Ended December 31, (a)		
		1966	1965	1964
	(Unaudited)			
4% Preferred Stock—outstanding shares at par value				
Balance at beginning of period	$ 6,190,800	$ 6,408,800	$ 6,554,800	$ 7,289,800
Purchased and retired	–0–	(218,000)	(146,000)	(735,000)
4% Preferred Stock at end of period	6,190,800	6,190,800	6,408,800	6,554,800
Series A Preference Stock—outstanding shares at liquidation price				
Balance at beginning of period	45,378,700	53,015,800	56,516,000	–0–
Sold under stock options	5,600	2,500	16,700	5,500
Converted to Common Stock	(9,791,200)	(7,639,600)	(3,516,900)	–0–
Issued in corporate acquisitions:				
Marlin-Rockwell Corporation	–0–	–0–	–0–	34,888,700
Ross Gear and Tool Company, Inc.	–0–	–0–	–0–	21,621,800
Series A Preference Stock at end of period	35,593,100	45,378,700	53,015,800	56,516,000
Series B Preference Stock—outstanding shares at liquidation price				
Balance at beginning of period	–0–	–0–	–0–	–0–
Issued in 1967 corporate acquisition treated as pooling of interests	8,505,400	–0–	–0–	–0–
Converted to Common Stock	(5,100)	–0–	–0–	–0–
Series B Preference Stock at end of period	8,500,300	–0–	–0–	–0–
Common Stock—outstanding shares at par value				
Balance at beginning of period	22,821,178	21,225,595	20,779,005	18,819,950
Sold under stock options	192,900	225,340	258,532	68,260
Issued in conversion of Series A and Series B Preference Stock and 4⅞% Subordinated Debentures	1,555,442	1,259,328	273,308	–0–
Issued in corporate acquisitions:				
Marlin-Rockwell Corporation	–0–	–0–	–0–	1,744,435
Ross Gear and Tool Company, Inc.	–0–	–0–	–0–	1,525,540
Other	300,000	110,915	–0–	–0–
Purchased for the treasury	–0–	–0–	(85,250)	(1,379,180)
Common Stock at end of period	24,869,520	22,821,178	21,225,595	20,779,005
Other Capital				
Balance at beginning of period	22,585,977	5,473,916	252,558	35,830,365
Excess of stated value or principal amount of senior securities converted over par value of Common Stock issued in conversion	18,534,541	15,116,473	3,253,592	–0–
Excess of proceeds from sale over stated value of stock sold under stock option plans	1,525,284	1,757,387	1,960,006	520,029
Transfer to capital stock accounts in connection with business acquisitions	(7,464,494)	–0–	–0–	(34,059,457)
Charge resulting from purchase of stock for treasury	–0–	–0–	(3,688)	(2,089,145)
Miscellaneous credits	–0–	238,201	11,448	50,766
Other Capital at end of period	35,181,308	22,585,977	5,473,916	252,558
Retained Income				
Balance at beginning of period	145,491,315	125,205,885	114,674,393	88,404,763
Retained income of acquired businesses at January 1 of year of acquisition	5,697,955	–0–	–0–	29,448,311
Net income	30,513,169	35,153,632	25,033,563	23,408,851
	181,702,439	160,359,517	139,707,956	141,261,925
Deductions:				
Dividends declared:				
On 4% Preferred Stock	123,816	247,222	259,162	268,442
On Series A Preference Stock	809,041	1,958,602	2,351,047	1,801,405
On Series B Preference Stock	88,680	–0–	–0–	–0–
On Common Stock	6,814,386	12,662,378	10,935,857	7,684,627
	7,835,923	14,868,202	13,546,066	9,754,474
Charge resulting from purchase of stock for treasury	–0–	–0–	956,005	12,255,998
Transfer to capital stock accounts and other charges in connection with business acquisitions	–0–	–0–	–0–	4,577,060
	7,835,923	14,868,202	14,502,071	26,587,532
Retained Income at end of period	173,866,516	145,491,315	125,205,885	114,674,393
Total Shareholders' Investment at end of period	$284,201,544	$242,467,970	$211,329,996	$198,776,756

(a) Not restated to include the acquisitions, in 1967, of Noblesville Casting Co. Inc. and Globe Industries, Inc. which were accounted for as poolings of interests.

See notes to financial statements.

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TRW INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Three years and nine months ended September 30, 1967

(Information relative to September 30, 1967 and the nine months then ended is unaudited.)

References to Common Stock in the financial statements and the following notes are expressed in terms of the $2.50 par value shares resulting from the two-for-one stock split effected in December, 1964.

Note A—Principles of consolidation and equity in subsidiaries

The accounts of the Company and all subsidiaries are included in the consolidated balance sheets at December 31, 1966, and September 30, 1967, and in the statements of consolidated income, except that in 1964 Latin American subsidiaries (which were insignificant in the aggregate) were not consolidated; however, the Company's share of the net income (or losses) of these subsidiaries was included. In June, 1964, the businesses and net assets of Marlin-Rockwell Corporation and Ross Gear and Tool Company, Inc. were acquired and accounted for as poolings of interests. In May and June, 1967, respectively, the businesses and net assets of Noblesville Casting Co. Inc. and Globe Industries, Inc. were acquired in exchange for 120,000 shares of Common Stock and 85,054 shares of $5.00 Cumulative Preference Stock, Series B, and were accounted for as poolings of interests; accordingly, the balance sheet (as restated for 1966) and the statements of consolidated income for all periods, include the accounts of such pooled companies. Accounts of subsidiaries purchased during the period (principally Clifford Motor Components Limited and Cam Gears Limited—each a United Kingdom corporation) have been included in consolidation from the date of purchase.

The accounts of all consolidated foreign subsidiaries and the equity in the net income of Latin American subsidiaries in 1964 and in a 50%-owned foreign company (which became wholly owned in 1966) have been translated to U.S. dollars at appropriate rates of exchange. The resulting gains or losses (not material in amount) have been included in operations. The Company's equity in net income in excess of dividends received from these foreign companies amounted to $1,760,000 for the nine months ended September 30, 1967, $3,025,000 for 1966, $2,883,000 for 1965, and $1,307,000 for 1964.

There has been no material change during the nine months ended September 30, 1967, in the following tabulation which shows the geographical distribution of the assets and liabilities of foreign subsidiaries, representing the Company's investment and equity in undistributed earnings since date of acquisition, at December 31, 1966:

	(In Millions of Dollars)					
	Canada	Latin America	United Kingdom	Continental Europe	Other	Total
Working capital	$ 3.2	$ 6.7	$10.8	$ 5.5	$ .1	$26.3
Fixed assets—*net*	10.9	6.6	19.3	9.4	2.3	48.5
Other assets	.1	1.0	1.5	.6	.1	3.3
Intangibles—at cost to the Company	—	.5	20.1	6.8	—	27.4
(Less) other liabilities and minority interest	—	(2.8)	(1.4)	(1.8)	(.6)	(6.6)
Company's investment and equity in undistributed earnings since date of acquisition	$14.2	$12.0	$50.3	$20.5	$1.9	$98.9

The equity of the Company in the net assets of all its subsidiaries as of December 31, 1966, and September 30, 1967, was $9,907,000 and $7,846,000, respectively, less than the amount at which the related investments are carried on the books of the Company, which difference has been accounted for upon consolidation as follows:

	December 31, 1966 Restated	September 30, 1967
Added to cost of acquired businesses in excess of recorded net assets at acquisition dates	$25,990,000	$26,425,000
Added to retained income	(15,695,000)	(18,520,000)
Deducted from fixed and other assets	(388,000)	(59,000)
	$ 9,907,000	$ 7,846,000

Note B—Long-term debt

As of December 31, 1966:

The long-term notes payable to banks include $54,000,000 borrowed from domestic sources under the terms of credit agreements which provide for maximum borrowing of $75,000,000 on 90-day revolving credit notes bearing interest at the prime commercial rate (5¾% at the above date) and maturing in no event later than March 25, 1969. At any time until such date, the Company may replace up to $50,000,000 of the notes then outstanding with term notes bearing interest at a rate not to exceed 5½%, and payable in four equal annual installments beginning one year after the replacement date. The Company intends to renew the revolving credit notes under the provisions of the credit agreements; accordingly, they have been classified as long-term debt.

Also included in long-term notes payable to banks are loans from foreign sources amounting to $36,000,000 bearing interest at rates ranging from 6% to 6¾% and maturing at various dates to August 31, 1970.

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The 5% Trust-deed notes are payable $350,000 annually, with a final installment of $1,750,000 in 1982. Annual sinking fund requirements of the several issues of outstanding debentures amount to $563,000 for the 3¼% issue to 1970 and a final payment of $5,992,000 in 1971, $500,000 (which will increase after 1970) for the 5¼% issue, and $845,000 (beginning in 1968) for the 4⅞% issue.

Exclusive of the $54,000,000 borrowed under the revolving credit agreements, the aggregate maturities and sinking fund requirements, after deducting the principal amount ($2,097,000) of 3¼% and 5¼% Debentures purchased in anticipation of sinking fund requirements, are as follows: 1967—$1,357,000; 1968—$2,985,000; 1969—$26,519,000; 1970—$15,172,000; 1971—$8,307,000.

As of September 30, 1967:

The long-term notes payable include $24,000,000 of the 90-day revolving credit notes bearing interest at 5½%.

Also included in long-term notes payable are loans from foreign sources amounting to $46,780,000 bearing interest at rates ranging from 6% to 6¾% and with various maturity dates, most of which may be extended to August 31, 1972.

Additional annual sinking fund requirements of $2,000,000 are required beginning in 1972 in connection with the 5½% Debentures issued in 1967.

Exclusive of the $24,000,000 of revolving credit notes, the aggregate maturities and sinking fund requirements, after deducting the principal amount ($1,252,000) of 3¼% and 5¼% debentures purchased in anticipation of sinking fund requirements, are as follows: remainder of 1967—$181,000; 1968—$2,301,000; 1969—$10,664,000; 1970—$10,382,000; 1971—$7,670,000; 1972—$33,679,000.

Among other covenants, the indentures and the other long-term loan agreements impose limitations on the payment of dividends. Under the most restrictive interpretation of these limiting covenants, retained income at December 31, 1966, and September 30, 1967, was unrestricted to the extent of approximately $34,200,000 and $49,000,000, respectively.

Note C—Common stock reserved for conversions

The Series A Preference Stock is convertible into Common Stock on or before June 15, 1979, on the basis of $32.25 per share of Common taking each share of Series A at $100 for this purpose. The Series B Preference Stock issued in 1967 is convertible into Common Stock on or before June 15, 1982, on the basis of $62.85 per share of Common, taking each share of Series B at $100 for this purpose. At December 31, 1966, and September 30, 1967, there were 1,407,453 and 1,239,228 shares of Common Stock, respectively, reserved for conversion of such Preference Stock. At December 31, 1966, there were 335,640 shares of Common Stock reserved for conversion of the 4⅞% Subordinated Debentures which were convertible until August 1, 1967 into Common Stock.

Note D—Stock option plans

The Company has granted options to officers and employees to purchase unissued Common Stock of the Company at prices equal to the market price at date of grant, except that for certain options granted prior to 1964 to employees and to officers who were not directors of the Company, the option price was not less than 85% of market price at date of grant. In general, the options are exercisable to the extent of one-third to one-fifth of the optioned shares for each full year of employment following the date of grant and expire from five to ten years after date of grant. The following tabulation summarizes certain information relative to stock options (market prices are as of the respective dates on which options were granted or exercised or became exercisable):

	Number of Shares	Option Price		Corresponding Market Price	
		Range per Share	Total	Range per Share	Total
Year ended December 31, 1964:					
Granted	32,000	$23.30 to $31.25	$ 919,394	$23.30 to $31.25	$ 919,394
Assumed*	654	17.07 to 20.29	11,918	19.96 to 23.08	12,807
Becoming exercisable	116,730	17.07 to 28.41	2,589,192	23.94 to 32.32	3,200,891
Exercised	27,304	17.07 to 26.57	590,134	24.13 to 32.32	776,346
Year ended December 31, 1965:					
Granted	70,450	30.25 to 47.75	2,713,487	30.25 to 47.75	2,713,487
Becoming exercisable	57,204	18.07 to 31.82	1,307,680	29.38 to 47.13	1,965,945
Exercised	103,413	17.07 to 27.75	2,222,986	28.75 to 47.25	3,608,264
Year ended December 31, 1966:					
Granted	35,653	43.50 to 47.88	1,700,906	43.50 to 47.88	1,700,906
Becoming exercisable	67,018	18.07 to 47.88	1,953,131	42.25 to 49.13	3,069,382
Exercised	90,136	17.07 to 34.00	1,983,547	41.38 to 49.63	4,129,409
At December 31, 1966:					
Options outstanding	334,283	17.07 to 47.88	9,675,298		
Reserved for future options	23,620				

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	Number of Shares	Option Price		Corresponding Market Price	
		Range per Share	Total	Range per Share	Total
Nine months ended September 30, 1967:					
Granted	102,400	$56.88 to $75.13	$ 7,418,263	$56.88 to $75.13	$7,418,263
Becoming exercisable	36,928	18.07 to 46.50	902,246	53.75 to 79.75	2,612,876
Exercised	77,160	18.07 to 47.75	1,720,073	46.00 to 78.50	4,897,611
At September 30, 1967:					
Options outstanding	359,431	18.07 to 75.13	15,371,795		
Reserved for future options	271,308				

* In addition, the Company assumed options permitting the purchase of 305 shares of Series A Preference Stock.

There have been no charges or credits to income in connection with the options.

Note E—Retirement plans

Substantially all employees of the Company and its domestic and Canadian subsidiaries are covered by one or more of several retirement-income plans. The majority of the plans are operated on a trusteed basis, while a few are insured plans. The plans differ in various details, but all provide basically for retirement benefits beginning at normal retirement age of 65, generally with modified benefits in the event of earlier retirement, death before retirement and other stipulated contingencies. The benefit formula for some of the plans is based generally on a percentage of earnings and for others it is based solely on years of service. Participating employees contribute to the insured plans and substantially all of the trusteed plans are non-contributory.

According to actuarial valuations, the unfunded liability for past-service costs under the several plans was approximately $34,400,000 at December 31, 1966, and September 30, 1967, and the annual normal cost (which does not include funding of or interest on the past-service costs) is approximately $10,200,000.

Note F—Leases

The aggregate rental obligations of the Company and its subsidiaries under leases in effect at December 31, 1966, which expire more than three years after that date, amounted to approximately $86,400,000, of which approximately $7,500,000 is payable in 1967, $31,400,000 in the five-year period 1968 through 1972, $20,900,000 in 1973-1977, $14,700,000 in 1978-1982, and $11,900,000 thereafter. As of September 30, 1967 the total of such obligations amounted to approximately $89,000,000.

Note G—Renegotiation and income taxes

As of December 31, 1966, renegotiation had been completed for all years prior to 1964 and during 1967 was completed for the year 1964. Sales for subsequent years include amounts subject to renegotiation for the limitation of profit, but the Company believes that no adjustments of reported net income will be required. In 1966 the United States Tax Court rendered a decision sustaining an asserted deficiency of $1,090,000 in income taxes of a predecessor business for years prior to the acquisition of the business by the Company in a pooling of interests. The Company has appealed the decision and the outcome is indeterminable.

Note H—Inventories

Cost is determined by the first-in, first-out method for approximately 80% of total inventory at December 31, 1966, and at September 30, 1967, and by the last-in, first-out method for the remainder. Market is considered to be the lower of replacement cost or estimated net realizable amount.

Inventories used in computing cost of products sold were as follows:

January 1, 1964	$ 83,913,399
December 31, 1964	85,565,609
December 31, 1965	104,252,370
December 31, 1966	145,673,354
September 30, 1967	136,672,377

Note I—Depreciation policy, etc.

The depreciation policy of the Company and its subsidiaries generally is and has been to provide for depreciation at rates calculated to amortize the cost of the various classes of assets within the periods of expected use. The general range of useful lives estimated for the major portions of the assets is:

Buildings—20 to 40 years
Machinery and equipment—3 to 20 years
Improvements to leased properties—terms of related leases

Generally, depreciation rates have been applied by the sum-of-the-years-digits or declining-balance methods to new properties acquired on or after January 1, 1954, and by the straight-line method to other items of property, plant, and equipment.

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Expenditures for maintenance, repairs, and renewals have been charged to operations as incurred. Betterments have been capitalized.

In general, the costs of properties sold or otherwise retired and the related allowances for depreciation have been eliminated from the accounts at the time of retirement and resulting gains or losses have been reflected in income.

The Company does not amortize costs of intangibles which arise in corporate acquisitions. Costs of other intangibles have been amortized by the straight-line method over the terms of the related patents or licenses or over other appropriate terms.

Note J—Investment tax credit policy

The investment tax credit allowed under the Revenue Act of 1962 has been included in each period as a reduction in the provision for federal income taxes. The amount of the credit was $1,517,000 in 1964, $895,000 in 1965, $1,455,000 in 1966, and $900,000 for the nine months ended September 30, 1967.

Note K—Supplementary profit and loss information

The amounts of certain classes of expenses incurred during the period, all of which were charged directly to income, are shown in the following tabulation:

	Charged To		
	Cost of Products Sold	Other Profit and Loss Accounts	Total
Year Ended December 31, 1964:			
Maintenance and repairs	$11,078,635	$ 517,687	$11,596,322
Depreciation and amortization	14,701,800	1,127,554	15,829,354
Taxes, other than income taxes:			
Payroll taxes	8,421,068	1,106,921	9,527,989
Real and personal property taxes	3,618,188	372,375	3,990,563
Federal excise taxes	–0–	1,638,291	1,638,291
Franchise and other corporate taxes	527,149	1,453,466	1,980,615
Total taxes	12,566,405	4,571,053	17,137,458
Royalties	533,031	26,276	559,307
Rents	11,255,288	3,116,252	14,371,540
Year Ended December 31, 1965:			
Maintenance and repairs	14,610,092	443,658	15,053,750
Depreciation and amortization	17,494,269	1,527,985	19,022,254
Taxes, other than income taxes:			
Payroll taxes	9,338,722	1,168,324	10,507,046
Real and personal property taxes	3,677,608	431,460	4,109,068
Federal excise taxes	103,837	1,402,350	1,506,187
Franchise and other corporate taxes	680,635	1,328,578	2,009,213
Total taxes	13,800,802	4,330,712	18,131,514
Royalties	573,293	15,687	588,980
Rents	12,550,085	2,987,685	15,537,770
Year Ended December 31, 1966:			
Maintenance and repairs	18,764,645	538,939	19,303,584
Depreciation and amortization	20,566,359	1,456,603	22,022,962
Taxes, other than income taxes:			
Payroll taxes	15,047,860	1,671,653	16,719,513
Real and personal property taxes	4,415,899	429,464	4,845,363
Federal excise taxes	–0–	830,195	830,195
Franchise and other corporate taxes	1,585,618	1,889,236	3,474,854
Total taxes	21,049,377	4,820,548	25,869,925
Royalties	975,008	14,519	989,527
Rents	15,661,596	3,031,445	18,693,041
Nine Months Ended September 30, 1967:			
Maintenance and repairs	18,081,128	397,305	18,478,433
Depreciation and amortization	19,453,610	1,096,804	20,550,414
Taxes, other than income taxes:			
Payroll taxes	13,742,374	1,457,725	15,200,099
Real and personal property taxes	3,908,882	364,177	4,273,059
Federal excise taxes	–0–	601,825	601,825
Franchise and other corporate taxes	1,420,537	1,769,674	3,190,211
Total taxes	19,071,793	4,193,401	23,265,194
Royalties	1,004,443	–0–	1,004,443
Rents	14,995,236	2,446,119	17,441,355

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REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
IRC, Inc.:

We have examined the consolidated balance sheet of IRC, Inc. and consolidated subsidiary as of January 1, 1967, the related statement of income retained for use in the business for the three years then ended and the statement of earnings for the five years then ended. Retroactive effect has been given in these statements to the acquisition of Holyoke Wire and Cable Corporation in April, 1967 which was accounted for as a pooling of interests. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As regards Holyoke Wire and Cable Corporation, whose accounts are included in the accompanying consolidated financial statements, we have received reports of other independent certified public accountants who have examined the financial statements of such subsidiary for its five fiscal years ended June 30, 1966.

In our opinion, based upon our examination and the reports of other independent certified public accountants, such financial statements present fairly the consolidated financial position of IRC, Inc. and consolidated subsidiary at January 1, 1967 and the results of their operations for the five years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

PEAT, MARWICK, MITCHELL & CO.

Philadelphia, Pa.
February 4, 1967

TO THE BOARD OF DIRECTORS OF
HOLYOKE WIRE AND CABLE CORPORATION

We have examined the balance sheet of Holyoke Wire and Cable Corporation as of June 30, 1966 and the related statements of income and retained earnings for the five years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned balance sheet and statements of income and retained earnings (not separately presented in this proxy statement) present fairly the financial position of Holyoke Wire and Cable Corporation at June 30, 1966 and the results of its operations for the five years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

Springfield, Massachusetts
September 2, 1966

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IRC, INC. AND CONSOLIDATED SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

October 22, 1967 and January 1, 1967

ASSETS

	October 22, 1967 (Unaudited)	January 1, 1967
Current assets:		
Cash	$ 1,213,363	$ 1,527,541
Time deposits and short-term notes, at cost and accrued interest	5,306,815	5,652,300
Accounts receivable:		
Trade accounts (less provision for losses $280,000 at October 22, 1967 and $292,500 at January 1, 1967)	5,132,435	5,764,321
Other	228,966	223,439
	5,361,401	5,987,760
Inventories, at lower of cost or market (Note 2):		
Finished goods	2,009,792	2,269,309
Work in process	2,243,992	2,326,699
Raw materials	3,267,283	3,125,527
	7,521,067	7,721,535
Prepaid expenses	181,130	134,064
Total current assets	19,583,776	21,023,200
Notes receivable, long-term	—	105,000
Investment in and advances to wholly-owned foreign subsidiary, at cost (Note 3)	92,250	95,237
Property, plant and equipment, at cost:		
Land and land improvements	459,012	349,638
Buildings	2,872,073	1,532,828
Machinery, equipment, furniture and fixtures	12,314,652	11,324,659
Improvements in progress	1,858,131	997,207
Improvements to leased property	1,380,724	1,223,855
	18,884,592	15,428,187
Less accumulated depreciation and amortization	8,648,588	7,430,871
	10,236,004	7,997,316
Patents, at cost (less amortization $128,512 at October 22, 1967 and $119,521 at January 1, 1967)	62,422	71,413
Goodwill, at nominal value	—	1
Life insurance, at cash surrender value	97,845	89,536
	$30,072,297	$29,381,703

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$ 926,133	$ 1,645,045
Deductions from payroll, largely for taxes	155,796	265,732
Accrued liabilities:		
Salaries, wages and commissions	1,129,199	1,100,144
Payroll taxes	52,439	119,615
Franchise and miscellaneous taxes	151,080	156,260
Pensions	137,241	36,370
Miscellaneous	690,275	327,379
	2,160,234	1,739,768
Federal and State income taxes (Note 5)	942,254	2,881,730
Total current liabilities	4,184,417	6,532,275
Deferred income taxes, etc. (Note 5)	275,143	391,578
Stockholders' equity:		
Common stock, par value 10¢ per share. Authorized 2,500,000 shares; issued 1,608,483 shares at October 22, 1967 and 1,596,047 at January 1, 1967 (Note 6)	160,848	159,604
Capital in excess of par value of shares issued (Note 7)	5,396,852	5,118,602
Income retained for use in the business	20,079,548	17,204,155
	25,637,248	22,482,361
Less 1,000 shares common stock in the treasury, at cost	24,511	24,511
Total stockholders' equity	25,612,737	22,457,850
Commitments—(Note 8)		
	$30,072,297	$29,381,703

See accompanying notes to financial statements.

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IRC, INC. AND CONSOLIDATED SUBSIDIARY

STATEMENT OF CONSOLIDATED INCOME RETAINED FOR USE IN THE BUSINESS

For the Three Years and 42 Weeks Ended October 22, 1967

	42 Weeks Ended October 22, 1967	Fiscal Year Ended		
		January 1, 1967	January 2, 1966	January 3, 1965
	(Unaudited)			
Balance at beginning of period:				
IRC, Inc.	$17,204,155	$13,366,865	$10,951,519	$ 8,614,501
Pooled subsidiary (Note 1)	—	—	—	852,682
Adjustment to reflect change of pooled subsidiary's accounting period	194,634	—	—	—
Net earnings for the period	3,876,270	5,659,839	3,668,083	2,280,032
	21,275,059	19,026,704	14,619,602	11,747,215
Cash dividends:				
IRC, Inc.	1,178,889	1,731,130	1,194,562	745,831
Pooled subsidiary prior to acquisition	16,622	91,419	58,175	49,865
	1,195,511	1,822,549	1,252,737	795,696
	$20,079,548	$17,204,155	$13,366,865	$10,951,519

See accompanying notes to financial statements.

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IRC, INC. AND CONSOLIDATED SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

(Information for the 42-week period ended October 22, 1967 is unaudited)

1. Principles of Consolidation:

In January, 1966, North American Electronics, Inc., a wholly-owned subsidiary (whose accounts are consolidated for the years 1962 through 1965 inclusive) was merged into the parent company and continues to operate as a division.

The acquisition of Holyoke Wire and Cable Corporation, acquired in April, 1967, in exchange for 87,493 shares of common stock, has been accounted for as a pooling of interests. The accounts of Holyoke Wire and Cable Corporation are included for all years on the basis of its fiscal years ended June 30, and on the basis of its calendar periods closest to normal accounting periods of IRC, Inc.

The parent company carries its investment in the consolidated subsidiary at its equity in the net assets of the subsidiary. All significant inter-company transactions are eliminated in consolidation.

The accounts of two inactive United States companies, an inactive foreign company and a Puerto Rican subsidiary are not included in the consolidation because they are not of significant size.

2. Inventories—Cost of Sales:

Finished goods and work in process are valued at estimated cost of materials, and normal direct labor, plus a reasonable allocation of overhead expenses, but not in excess of market. Raw materials are priced at the lower of first-in, first-out cost or market.

The opening and closing inventories (valued on the basis described above) which have been used in computing cost of goods sold are:

December 29, 1963	$4,643,991
January 3, 1965	4,689,325
January 2, 1966	5,110,068
January 1, 1967	7,721,535
October 22, 1967 (Unaudited)	7,521,067

3. Unconsolidated foreign subsidiary:

The investment in the unconsolidated foreign subsidiary is summarized as follows:

	October 22, 1967	January 1, 1967
	(Unaudited)	
Investment	$55,000	$55,000
Advances	37,250	40,237
Total investment in and advances to wholly-owned foreign subsidiary, at cost	$92,250	$95,237
Net assets	$69,632	$76,853

Earnings (loss) of the subsidiary for the years 1964 through 1966 and the 42-weeks ended October 22, 1967, were $19,216, $10,393, $35,563 and $(8,000) estimated, respectively. No dividends were paid during the period.

4. Depreciation and amortization policy:

Depreciation on assets acquired prior to January 1, 1955 is accrued on the straight-line method at rates calculated to provide for the retirement of depreciable property at the end of its useful life. With respect to additions since December 31, 1954, the company has adopted the sum-of-the-years-digits method of computing depreciation. Improvements to leased property are being amortized over the life of the applicable lease or the life of the asset whichever is less. The estimated useful lives for depreciable property are as follows: buildings, 25 to 50 years; machinery, equipment, furniture and fixtures, 3 to 20 years; improvements to leased property, 2 to 12 years; and improvements to land, 50 years. Maintenance and repairs are charged to operating income; renewals and betterments are capitalized.

At the time of retirement or other disposition of property, plant and equipment, the cost and related accumulated depreciation or amortization are removed from the accounts; the resulting losses or gains are carried to operating income.

Patents are being amortized over their approximate useful lives.

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NOTES TO FINANCIAL STATEMENTS—Continued

5. Income taxes:

Federal tax returns of the company to and including the year 1964 have been examined by the Internal Revenue Service and final settlement has been made. The Federal tax returns of the former subsidiary (North American Electronics, Inc.) had not been examined since its organization but the years to and including 1963 have been closed due to the statute of limitations. The Federal tax returns of Holyoke Wire and Cable Corporation have been examined through the year ended June 30, 1964 and final settlement has been made.

Investment credit under the Revenue Act of 1962 with respect to IRC for the years 1962 and 1963 and all years with respect to Holyoke has been deferred and is being taken into income ratably over the estimated life of the respective asset. The amount so deferred (approximately $107,578 at January 1, 1967 and $96,434 at October 22, 1967) is included in "Deferred income taxes, etc."

The company claims depreciation for income tax purposes using shorter lives allowed under "Guideline" rulings. Deferred income taxes have been provided which will be payable in future years when book depreciation exceeds that allowable for tax purposes.

6. Stock options:

Under the restricted stock option plan approved by the stockholders in 1953, 1959 and 1960, options, exercisable on a cumulative basis commencing two years from date of grant over a period of ten years or less, have been granted to officers and key employees to purchase common stock at a price not less than 95% of the mean market price of the stock on the dates of granting.

Under the qualified stock option plan approved by stockholders in 1965, options, exercisable over a period of five years or less, have been granted to officers and key employees to purchase common stock at prices not less than the fair market value on the dates of granting.

The following tabulation presents details with respect to these options:

	Number of Shares	Option price		Market value at date of grant	
		Per Share	In Total	Per Share	In Total
Shares under option at January 1, 1967:					
Granted:					
July 6, 1960	2,080	$31.63	$ 65,790	$33.28	$ 69,222
May 3, 1965	32,681	21.35	697,739	21.35	697,739
July 13, 1965	1,125	20.85	23,456	20.85	23,456
April 26, 1966	4,250	40.70	172,975	40.70	172,975
December 5, 1966	4,000	39.65	158,600	39.65	158,600
	44,136		$1,118,560		$1,121,992
Shares under option at October 22, 1967 (unaudited):					
Granted:					
May 3, 1965	21,744	21.35	$ 464,234	21.35	$ 464,234
July 13, 1965	750	20.85	15,638	20.85	15,638
April 26, 1966	3,188	40.70	129,752	40.70	129,752
December 5, 1966	4,000	39.65	158,600	39.65	158,600
April 25, 1967	2,000	36.10	72,200	36.10	72,200
	31,682		$ 840,424		$ 840,424
Options becoming exercisable:				at dates exercisable	
1964	624	31.63	$ 19,737	13.88	$ 8,658
1965	23,097	21.35– 31.63	501,674	19.00– 21.35	491,166
1966	10,381	20.85– 21.35	221,447	39.88– 40.56	420,798
42 weeks ended October 22, 1967 (unaudited)	8,673	20.85– 40.70	205,593	36.63– 38.00	327,860
	42,775		$ 948,451		$1,248,482
Options exercised:				at dates exercised	
1964	None				
1965	3,816	15.63– 21.35	$ 79,024	22.38– 29.69	$ 101,812
1966	12,076	21.00	253,540	35.54	429,150
42 weeks ended October 22, 1967 (unaudited)	12,436	20.85– 31.63	286,704	34.75– 47.00	490,508
	28,328		$ 619,268		$1,021,470

At January 1, 1967 and October 22, 1967, 42,196 and 42,214 shares respectively, were reserved for future option grants.

Upon sale of shares of common stock under the option plans, the difference between the option price and the par value of the shares issued is credited to capital in excess of par value of shares issued. There were no charges to income with respect to the option arrangements.

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7. Capital in excess of par value of shares issued:

During the period December 29, 1963 to October 22, 1967 capital in excess of par value changed as follows:

Balance December 29, 1963	$3,965,302
Excess of capital stock of pooled company over par value of common stock issued (note 1)	822,326
Balance December 29, 1963, as adjusted, and balance January 3, 1965	4,787,628
Excess of proceeds over par value of 3,816 shares of common stock issued in 1965 upon exercise of stock options	78,642
Balance January 2, 1966	4,866,270
Excess of proceeds over par value of 12,076 shares of common stock issued in 1966 upon exercise of stock options	252,332
Balance January 1, 1967	5,118,602
Excess of proceeds over par value of 12,436 shares of common stock issued in period ended October 22, 1967 upon exercise of stock options	285,460
Expenses in connection with pooling of interests	(7,210)
Balance October 22, 1967 (unaudited)	$5,396,852

8. Leases:

Minimum annual rentals for leased property (excluding taxes, insurance and maintenance costs where payable by the lessee) total approximately $550,000 at January 1, 1967 ($760,000 at October 22, 1967), the major portion of which relates to leases expiring in 1972 and 1981.

9. Employment contracts:

Mr. Wilson H. Oelkers, President, is employed under an employment contract dated April 15, 1963, which provides for his employment until July 31, 1969. This contract, since July 6, 1964, has provided that part of Mr. Oelkers' compensation shall be paid currently and that the payment of part of it shall be deferred until the cessation of his active employment. Mr. Oelkers' deferred compensation under the contract for the fiscal year 1966 amounted to $26,898 ($19,219 for the 42 weeks ended October 22, 1967). The amount deferred under his contract from July 6, 1964 to January 1, 1967 is $45,898 ($65,117 to October 22, 1967). The amount deferred under the contract is subject to an annual increment depending upon his length of service with the company. The aggregate increment as of January 1, 1967 and October 22, 1967 amounted to $1,585. If Mr. Oelkers were to retire at his normal retirement age in 1974, these increments, in the aggregate, would be equal to 23% of the amounts which had been deferred up to that time. Mr. Oelkers' deferred compensation will be paid to him in monthly payments of $2,100 each, beginning with the cessation of his employment with the company.

In 1960, 1962 and 1967 the company entered into post-employment agreements with five other principal officers. As of January 1, 1967 the aggregate cost of such post-employment benefits under these agreements over their terms is estimated to be $170,000 ($206,000 at October 22, 1967) net of related tax benefits. Provision has been made in the accounts, by charge to earnings, with respect to $150,000 ($52,000 provided in 1965, $56,000 in 1966 and $42,000 in the 42-week period ended October 22, 1967).

10. Renegotiation:

Certain of the sales in 1966 and the 42-week period ended October 22, 1967 are subject to the Renegotiation Act of 1951, as amended. In the opinion of the company, any refund requested will not be material in amount.

11. Retirement plans:

Eligible employees may be participants in the company's contributory pension plan and in one of four non-contributory pension plans. The plans are funded or insured. Based on years of credited service, the pension payable under the non-contributory plans at the normal retirement age of 65 will vary from a minimum of $15.00 per month to a maximum of $106.50, depending upon the plan in which the employee is a participant. Under the contributory plan, the normal retirement benefit at age 65 consists of a "past service factor" for participants whose continuous service antedates January 1, 1949 and a "future service factor" for all participants.

The cost of the plans charged to operations for the years 1964, 1965, and 1966 and the 42-week period ended October 22, 1967 (normal cost and past service cost, where applicable, which is being amortized over approximately 30 years) amounted to approximately $273,000, $303,000, $480,000 and $377,000, respectively. At January 1, 1967, the remaining unfunded past service liability was estimated to be $387,000. As of October 22, 1967, the unfunded past service liability was estimated to be $1,500,000; such increase resulting from amendment to a non-contributory plan providing for increased benefits. Based upon a preliminary determination, the aggregate assets of the plans approximate the vested benefits thereunder.

Salaried employees of the consolidated subsidiary are covered by a pension plan adopted January 1, 1965. The cost of the plan charged to operations in the subsidiary's 1965 and 1966 fiscal years and the interim period of 1967 was approximately $50,000, $26,000 and $10,300, respectively. The unfunded past service liability at the end of its 1966 fiscal year approximated $146,000.

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12. Supplementary profit and loss information:

	Charged directly to operations		
	Cost of Sales	Other	Total
42-week period ended October 22, 1967 (Unaudited):			
Maintenance and repairs (a)	$1,160,874	$ 63,220	$1,224,094
Depreciation and amortization of property, plant and equipment	—	1,344,520	1,344,520
Amortization of deferred charges, mainly patents	—	8,991	8,991
Taxes:			
Federal and State taxes on payrolls	713,321	148,571	861,892
Franchise and miscellaneous	112,853	63,569	176,422
	$ 826,174	$ 212,140	$1,038,314
Rents (b)	$ 388,608	$ 286,857	$ 675,465
Year ended January 1, 1967:			
Maintenance and repairs (a)	$1,465,745	$ 74,891	$1,540,636
Depreciation and amortization of property, plant and equipment	—	1,522,422	1,522,422
Amortization of deferred charges, mainly patents	—	11,240	11,240
Amortization of excess of cost over book value of net assets acquired	—	175,943	175,943
Taxes:			
Federal and State taxes on payrolls	939,418	182,860	1,122,278
Franchise and miscellaneous	128,309	81,911	210,220
	$1,067,727	$ 264,771	$1,332,498
Rents (b)	$ 473,345	$ 320,878	$ 794,223
Year ended January 2, 1966:			
Maintenance and repairs (a)	$1,158,387	$ 63,123	$1,221,510
Depreciation and amortization of property, plant and equipment	—	1,295,797	1,295,797
Amortization of deferred charges, mainly patents	—	27,365	27,365
Amortization of excess of cost over book value of net assets acquired	—	53,500	53,500
Taxes:			
Federal and State taxes on payrolls	646,660	132,391	779,051
Franchise and miscellaneous	101,292	71,623	172,915
	$ 747,952	$ 204,014	$ 951,966
Rents (b)	$ 531,980	$ 271,380	$ 803,360
Year ended January 3, 1965:			
Maintenance and repairs (a)	$ 830,497	$ 108,373	$ 938,870
Depreciation and amortization of property, plant and equipment	—	1,238,874	1,238,874
Amortization of deferred charges, mainly patents	—	43,489	43,489
Taxes:			
Federal and State taxes on payrolls	529,693	115,735	645,428
Franchise and miscellaneous	100,505	65,443	165,948
	$ 630,198	$ 181,178	$ 811,376
Rents (b)	$ 566,351	$ 263,545	$ 829,896

(a) The amounts represent largely the portion of machine shop costs (principally indirect labor and overhead costs) which, in the opinion of management, constitute expenditures applicable to maintenance and repairs of plant and equipment.

(b) Includes rentals pertaining to leased building space and to machinery and equipment.

There were no management and service contract fees during the period. The aggregate amount of royalties is not material.

REPORTS OF INDEPENDENT ACCOUNTANTS

To the Stockholders
United-Carr Incorporated
Boston, Massachusetts

We have examined the consolidated balance sheet of United-Carr Incorporated and subsidiaries at December 31, 1966, the related statement of consolidated earnings for the five years then ended and the statement of consolidated retained earnings for the three years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of a foreign subsidiary have been included herein as reported upon by other independent accountants.

In our opinion, based upon our examination and upon the aforementioned report of other accountants, the accompanying balance sheet and statements of earnings and retained earnings present fairly the consolidated financial position of United-Carr Incorporated and subsidiaries at December 31, 1966, and the consolidated results of their operations for the stated periods then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Ernst & Ernst

Boston, Massachusetts
February 4, 1967

We have examined the financial statements of Carr Fastener Company Limited for the five years ended December 31, 1966. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

At December 31, 1963, a Special Stock Reserve of £25,421 was deducted in arriving at the closing inventory balance. Such reserve has not been changed since that date. Changes in depreciation methods in 1963, 1964, and 1965 resulted in decreasing 1963 and 1964 net earnings by £46,450 and £7,354, respectively, and increasing 1965 net earnings by £3,868.

In our opinion, the balance sheet and statement of income and retained earnings (not separately included herein) present fairly the financial position of Carr Fastener Company Limited at December 31, 1966, and the results of its operations for the five years then ended, in conformity with generally accepted accounting principles applied on a consistent basis, except as noted in the preceding paragraph.

Foxon & Company
Chartered Accountants.

Foxon & Company,
Vernon House, Nottingham.
9th February, 1967.

TRW-MGR-0637

UNITED-CARR INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS

	September 30, 1967 (Unaudited)	December 31, 1966
CURRENT ASSETS		
Cash	$ 5,908,136	$ 7,863,192
Short-term marketable securities—at cost and accrued interest	2,414,208	1,386,495
Accounts receivable, less allowances of $341,000 in 1967; $366,000 in 1966	15,430,522	14,994,272
Inventories—at lower of approximate cost or market:		
Finished and in process	14,834,982	15,311,970
Materials and supplies	7,274,855	7,281,816
	22,109,837	22,593,786
Prepaid expenses	930,279	759,267
TOTAL CURRENT ASSETS	46,792,982	47,597,012
OTHER ASSETS	651,955	591,331
EXCESS OF COST OVER BOOK VALUE OF ASSETS OF ACQUIRED COMPANIES (Note A)	1,580,380	1,657,527
PROPERTY, PLANT AND EQUIPMENT—on the basis of cost		
Land	2,185,917	2,011,866
Buildings	13,193,031	11,351,688
Machinery and equipment	36,120,930	33,483,601
	51,499,878	46,847,155
Less allowances for depreciation	22,715,917	19,932,683
	28,783,961	26,914,472
	$77,809,278	$76,760,342

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	$ 4,795,524	$ 4,648,803
Accrued pay roll and other expenses	5,067,413	4,192,098
Pay roll taxes and taxes withheld	609,729	736,147
Accrued state and local taxes	641,883	591,218
Federal and foreign income taxes	3,001,402	4,054,300
Principal payment due within one year on lease obligation	150,000	150,000
TOTAL CURRENT LIABILITIES	14,265,951	14,372,566
LONG-TERM LIABILITIES (Note B)	8,910,000	10,350,000
RESERVE FOR CURRENCY REVALUATION	400,000	400,000
MINORITY INTEREST IN FOREIGN SUBSIDIARY (Note C)	799,122	783,766
STOCKHOLDERS' EQUITY		
Common Stock, par value $2.50 per share (Note D):		
Authorized 10,000,000 shares		
Issued 2,697,876 shares in 1967 (2,665,576 in 1966), including treasury shares	6,744,690	6,663,940
Capital in excess of par value (Note E)	1,644,879	1,178,513
Retained earnings (Note B)	45,517,101	43,484,022
	53,906,670	51,326,475
Less cost of 33,000 shares in treasury	472,465	472,465
	53,434,205	50,854,010
	$77,809,278	$76,760,342

The accompanying notes are an integral part of the consolidated financial statements.

TRW-MGR-0638

UNITED-CARR INCORPORATED AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED RETAINED EARNINGS

	Nine Months Ended September 30,		Year Ended December 31,		
	1967	1966	1966	1965	1964
	(Unaudited)	(Unaudited)			
Retained earnings at beginning of period	$43,484,022	$39,003,743	$39,003,743	$38,236,702	$35,549,875
Add net earnings	4,090,810	4,789,306	7,109,055	6,269,832	4,739,528
	47,574,832	43,793,049	46,112,798	44,506,534	40,289,403
Deduct:					
Cash dividends declared ($1.00 a share in 1966; $.85 in 1965; $.80 in 1964; $.775 nine months ended September 30, 1967 and $.75 nine months ended September 30, 1966	2,057,731	1,970,632	2,628,776	2,195,071	2,052,701
Par value of Common Stock issued in connection with two-for-one share distribution on January 31, 1966				3,307,720	
	2,057,731	1,970,632	2,628,776	5,502,791	2,052,701
Retained Earnings at End of Period	$45,517,101	$41,822,417	$43,484,022	$39,003,743	$38,236,702

The accompanying notes are an integral part of the consolidated financial statements.

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UNITED-CARR INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three years and nine months ended September 30, 1967

(Information relative to September 30, 1967 and the nine months then ended is unaudited.)

Note A—Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. The United States dollar equivalents of foreign currency accounts have been determined on the basis of appropriate rates of exchange. The net assets in foreign countries amounted to $15,800,000 at December 31, 1966 and $16,600,000 at September 30, 1967, and the Company's equity in the net earnings of foreign subsidiaries exceeded the dividends received in each period by the respective amounts of $819,574, $617,000, $897,000 and $830,000, for the years 1964 through 1966 and the nine months ended September 30, 1967.

The Company's equity in the net assets of the consolidated subsidiaries at December 31, 1966 was $13,358,926 ($14,189,267 at September 30, 1967) more than the cost of the related investments. Upon consolidation this amount, representing the undistributed net earnings of the subsidiaries since acquisition, has been included in consolidated retained earnings.

The unrealized losses resulting from conversion of the accounts of the foreign subsidiaries are not significant and have been included in the statement of consolidated earnings.

The excess of cost over book value of assets of acquired companies is being amortized over a period of 20 years from the respective dates of acquisition.

Note B—Long-Term Liabilities

Long-term liabilities at December 31, 1966 and September 30, 1967 consisted of the following:

	December 31, 1966	September 30, 1967
Notes payable to banks	$ 9,000,000	$7,560,000
Capitalized lease obligation	1,500,000	1,500,000
	10,500,000	9,060,000
Less principal payment due within one year on lease obligation	150,000	150,000
	$10,350,000	$8,910,000

Under the terms of a loan agreement with banks, dated December 7, 1966, the Company established a three-year credit in the amount of $12,000,000, to be evidenced by revolving 90 day notes. After December 8, 1969, the Company may borrow up to $12,000,000 on a three-year basis to be evidenced by term notes maturing December 29, 1972, and requiring semi-annual prepayments equal to 1/10 of the original principal amount. The revolving credit notes bear interest at the current prime commercial rate and the term notes will bear interest at the prime commercial rate then in effect plus ¼ of 1%. The loan agreement includes, among other things, covenants restricting payment of cash dividends and other distributions to an amount not to exceed $2,600,000 plus seventy-five per cent of consolidated net earnings (as defined) after December 31, 1965. At December 31, 1966 and September 30, 1967 such amounts were approximately $4,630,000 and $5,020,000, respectively.

As of December 1, 1966, the Company entered into a long-term lease agreement for manufacturing facilities to be constructed by a municipality with the proceeds from the sale of industrial development revenue bonds. The lease provides for annual rentals over the entire ten year term in amounts sufficient to cover bond principal and interest at the rate of 4¼%. It also provides for renewal at nominal annual rentals or the purchase of the facilities for a nominal amount after the initial term. The total principal payments have been capitalized as a lease obligation; the capitalized amounts in property, plant and equipment include $959,511 and $454,618 of unexpended funds at December 31, 1966 and September 30, 1967, respectively.

Note C—Minority Interest

The minority interest in the foreign subsidiary as of December 31, 1966 and September 30, 1967 is separated between capital stock and retained earnings as follows:

	December 31, 1966	September 30, 1967
Capital stock	$520,029	$520,029
Retained earnings	263,737	279,093
	$783,766	$799,122

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Note D—Stock Options

Under the terms of Plans approved by the stockholders in 1959 (as amended) and 1966, stock options may be granted to certain key employees to purchase shares of Common Stock of the Company at a price not less than the fair market value thereof at the date of grant. Options granted in 1964 and thereafter are exercisable over a period not exceeding five years; options granted prior to 1964 are exercisable over a period not exceeding ten years. No portion of any option may be exercised by the employee, if living, for at least two years after the date of grant.

A summary of options granted, becoming exercisable, cancelled and exercised during the period of three years and nine months ended September 30, 1967 follows:

		Option Price		Approximate Market Value	
	Number of Shares	Per Share	Total	Per Share	Total
Nine months ended September 30, 1967:					
Granted	4,500	$28.0625	$ 126,281	$28.0625	$ 126,281
Becoming exercisable	16,000	20.00	320,000	27.00	432,000
Cancelled	500	17.50	8,750		
Exercised	32,300	14.9075–20.00	547,116	22.875–36.3125	925,063
Year ended December 31, 1966:					
Granted	51,000	22.44–25.75	1,160,990	22.44–25.75	1,160,990
Becoming exercisable	25,500	17.28125–17.50	444,938	22.00–33.875	632,250
Cancelled	3,000	17.50	52,500		
Exercised	19,400	13.75–17.28125	300,379	28.50–34.625	631,938
Year ended December 31, 1965:					
Granted	55,000	20.00–30.50	1,535,500	20.00–30.50	1,535,000
Becoming exercisable	None				
Exercised	39,800	13.75–17.875	613,733	17.5625–30.25	1,122,863
Year ended December 31, 1964:					
Granted	25,500	17.28125–17.50	444,938	17.28125–17.50	444,938
Becoming exercisable	22,000	13.75–15.4375	309,250	18.125	398,750
Exercised	10,000	13.75–14.9075	146,760	18.3125–19.00	184,500

At December 31, 1966 and September 30, 1967, outstanding options by year of grant were as follows:

	December 31, 1966			September 30, 1967		
		Option Price			Option Price	
	Number of Shares	Per Share	Total	Number of Shares	Per Share	Total
1959	16,600	$14.9075–16.00	$ 254,020	6,100	$14.9075	$ 90,936
1960	3,000	16.47	49,410	None		
1961	20,600	16.25–17.875	351,875	17,800	16.25–17.875	303,125
1962	11,600	13.75–15.4375	165,575	9,600	13.75–15.4375	134,700
1964	16,500	17.50	288,750	4,000	17.50	70,000
1965	55,000	20.00–30.50	1,535,500	53,000	20.00–30.50	1,490,500
1966	51,000	22.44–25.75	1,160,990	51,000	22.44–25.75	1,160,990
1967				4,500	28.0625	126,281
	174,300		$3,806,120	146,000		$3,376,532

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Note D—Continued

Additional options to purchase 86,500 shares at December 31, 1966 (82,500 shares at September 30, 1967) may be granted under the terms of the Plans. However, the Company does not intend to grant options for any of the remaining 7,500 (5,000 at September 30, 1967) shares under the 1959 Plan, nor will it regrant any of the outstanding options under the 1959 Plan, should they be cancelled.

Changes have been made in the number of shares and per-share prices in the above schedules where necessary, to reflect the two-for-one share distribution on January 31, 1966.

Note E—Capital in Excess of Par Value

Capital in excess of par value for the three years and nine months ended September 30, 1967 is analyzed as follows:

Balance December 31, 1963		$ 228,391
Increase during year ended December 31,		
1964	$134,260	
1965	563,983	
1966	251,879	950,122
Balance December 31, 1966		1,178,513
Increase during nine months ended September 30, 1967		466,366
Balance September 30, 1967		$1,644,879

The increase in each period represents the excess of option price over par value of the shares issued upon exercise of stock options.

Note F—Inventories

Inventory amounts at the beginning and end of each period used in the determination of cost of goods sold were as follows:

September 30, 1967	$22,109,837
December 31, 1966	22,593,786
December 31, 1965	17,106,082
December 31, 1964	14,345,023
December 31, 1963	12,486,385

Note G—Depreciation and Amortization

Allowances for depreciation and amortization of property, plant, and equipment of the Company and its domestic subsidiaries were determined at rates necessary to extinguish the cost of the assets over their estimated useful lives, as follows:

Buildings	20–50 years
Machinery and equipment	4–12 years
Leasehold improvements	Lease period

The declining balance method of computing depreciation allowances is used for certain buildings acquired subsequent to January 1, 1956 and the sum-of-the-years-digits method is used for certain machinery and equipment acquired subsequent to January 1, 1960. Depreciation allowances for all other items of property, plant, and equipment are provided by the straight-line method.

The foreign subsidiaries provided for depreciation on the diminishing balance method at rates necessary to reduce the cost of assets to salvage value over their estimated useful lives.

Expenditures for maintenance and repairs and minor renewals have been charged to expense as incurred. Betterments and major renewals have been capitalized.

Upon retirement or other disposal of assets, related allowances for depreciation and amortization have been eliminated from the accounts and any resulting profit or loss reflected in consolidated earnings.

Note H—Segregation of Income Taxes

The following is a segregation of state, federal and foreign income taxes as shown in the statement of consolidated earnings.

	1966	1965	1964	Nine Months Ended September 30, 1967
State	$ 348,600	$ 309,233	$ 160,708	$ 213,113
Federal	4,301,473	4,453,873	1,962,087	2,159,810
Foreign	1,599,927	1,836,894	2,377,205	1,240,077
	$6,250,000	$6,600,000	$4,500,000	$3,613,000

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Note I—Pension Plans

The Company and its subsidiaries have several pension plans covering substantially all of their employees, including employees in foreign countries. The Company's policy is to fund pension costs accrued. The total pension expense ($1,005,000 in 1964, $1,180,000 in 1965, $1,575,000 in 1966, and $1,216,000 for the nine months ended September 30, 1967) includes, as to certain of the plans, amortization of prior service costs over periods ranging from 10 to 30 years. The estimated aggregate unfunded past service liability was $7,768,000 at December 31, 1966 and $7,585,000 at September 30, 1967.

Note J—Supplementary Profit and Loss Information

The amounts of certain classes of expenses incurred during the period, all of which were charged directly to earnings, are shown in the following tabulation:

	Charged To		
	Cost of Goods Sold	Other	Total
Nine months ended September 30, 1967:			
Maintenance and repairs	$2,494,532	$171,467	$2,665,999
Provision for depreciation of property, plant and equipment	2,771,445	296,402	3,067,847
Amortization of excess cost of investments in subsidiaries		77,147	77,147
Taxes, other than income taxes:			
Pay roll	1,515,051	226,888	1,741,939
Property	476,147	14,139	490,286
Franchise and other taxes		138,818	138,818
	1,991,198	379,845	2,371,043
Management and service contract fees			None
Rents	280,206	583,904	864,110
Royalties	11,016	532,905	543,921
Year ended December 31, 1966:			
Maintenance and repairs	3,303,514	196,089	3,499,603
Provision for depreciation of property, plant and equipment	3,312,469	342,616	3,655,085
Amortization of excess cost of investments in subsidiaries		102,743	102,743
Taxes, other than income taxes:			
Pay roll	1,809,310	240,001	2,049,311
Property	549,703	8,953	558,656
Franchise and other taxes		149,558	149,558
	2,359,013	398,512	2,757,525
Management and service contract fees			None
Rents	376,296	706,113	1,082,409
Royalties	10,349	589,707	600,056
Year ended December 31, 1965:			
Maintenance and repairs	2,514,106	118,690	2,632,796
Provision for depreciation of property, plant and equipment	2,744,972	271,399	3,016,371
Amortization of excess cost of investments in subsidiaries		98,548	98,548
Taxes, other than income taxes:			
Pay roll	1,257,485	170,513	1,427,998
Property	465,760	7,868	473,628
Franchise and other taxes		132,506	132,506
	1,723,245	310,887	2,034,132
Management and service contract fees			None
Rents	215,376	476,711	692,087
Royalties	15,826	552,053	567,879

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Note J—Continued

	Charged To		
	Cost of Goods Sold	Other	Total
Year ended December 31, 1964:			
Maintenance and repairs	$1,969,656	$129,586	$2,099,242
Provision for depreciation of property, plant and equipment	2,288,155	242,013	2,530,168
Amortization of excess cost of investments in subsidiaries		97,548	97,548
Taxes, other than income taxes:			
Pay roll	1,123,425	170,205	1,293,630
Property	380,572	7,255	387,827
Franchise and other taxes		128,553	128,553
	1,503,997	306,013	1,810,010
Management and service contract fees			None
Rents	175,526	450,477	626,003
Royalties	18,374	366,004	384,378

TRW-MGR-0644

AGREEMENT OF MERGER

AGREEMENT OF MERGER dated November 28, 1967 ("this Agreement") by and between TRW Inc., an Ohio corporation of 23555 Euclid Avenue, Euclid, Ohio 44117 ("TRW"), and IRC, Inc., a Delaware corporation of 401 North Broad Street, Philadelphia, Pennsylvania 19108 ("IRC");

WITNESSETH:

WHEREAS, TRW is authorized to have outstanding 23,811,908 shares, consisting of (i) 61,908 shares of 4% Cumulative Preferred Stock, par value $100 per share ("Cumulative Preferred Stock"), of which 61,908 shares were issued and outstanding on September 30, 1967; (ii) 750,000 shares of Serial Preference Stock, without par value ("Preference Stock"), of which 355,931 shares designated as $4.25 Cumulative Preference Stock, Series A, Convertible on or before June 15, 1979, were issued and outstanding on September 30, 1967 and 85,003 shares designated as $5.00 Cumulative Preference Stock, Series B, Convertible on or before June 15, 1982, were then issued and outstanding; (iii) 3,000,000 shares of Serial Preference Stock II, without par value ("Preference Stock II"), of which no shares were issued or outstanding on September 30, 1967; and (iv) 20,000,000 shares of Common Stock, par value $2.50 per share ("Common Stock"), of which 9,947,808 shares were issued and outstanding on September 30, 1967;

WHEREAS, IRC is authorized to have outstanding 2,500,000 shares of Common Stock, par value $0.10 per share ("IRC Common"), of which as at October 6, 1967 1,606,775 shares were issued and outstanding, 1,000 shares were held in its treasury, and 892,225 shares were authorized but unissued, of which 32,765 shares were reserved for issuance upon the exercise of outstanding stock options;

WHEREAS, the Boards of Directors of TRW and IRC (such corporations being herein sometimes called the "Constituent Corporations") have deemed it advisable for the mutual benefit of the Constituent Corporations and their respective shareholders that IRC be merged into TRW upon the terms and conditions hereinafter set forth; and

WHEREAS, the Board of Directors of each Constituent Corporation has approved and adopted this Agreement;

NOW, THEREFORE, in accordance with the laws of Ohio and Delaware, TRW and IRC have agreed and do hereby agree that, subject to the conditions hereinafter set forth, IRC shall be merged into TRW and TRW shall be the surviving corporation (herein sometimes called the "Corporation"), and that the terms and conditions of such merger shall be as follows:

ARTICLE I: NAME; AMENDED ARTICLES OF INCORPORATION

1.1 The name of the Corporation will be TRW Inc.

1.2 At the time the merger becomes effective, the "articles" of the Corporation as defined in division (D) of section 1701.01 of the Ohio Revised Code shall, until further amended in accordance with the law, consist of the provisions of this Agreement, including all of the provisions of the articles (as so defined) of TRW immediately prior thereto without change. Such TRW articles will be, subject to the provisions of Section 18.1 below, as set forth in the Amended Articles of Incorporation attached hereto as Exhibit A and hereby made a part hereof. It is contemplated, but not required, that following the time the merger becomes effective, the Corporation will take such action as is then permitted under the Ohio Revised Code to have such Amended Articles of Incorporation, subject as aforesaid (herein sometimes called "the amended articles"), constitute the articles of the Corporation as so defined.

ARTICLE II: REGULATIONS

The regulations of TRW immediately prior to the time the merger becomes effective are hereby adopted without change as the regulations of the Corporation and shall continue to be its regulations until amended in accordance with the law.

ARTICLE III: STATED CAPITAL

The amount of stated capital immediately prior to the time the merger becomes effective of each class of shares of TRW then outstanding, other than Preference Stock II (if any) and Common Stock, shall be the amount of stated capital at the time the merger becomes effective of such class of shares of the Corporation then outstanding. The amount of stated capital immediately prior to the time the merger becomes effective of Preference Stock II then outstanding (if any) plus $2.75 for each share of such class issued in the merger as provided in Section 7.1 shall be the amount of stated capital at the time the merger becomes effective of such class of shares of the Corporation then outstanding. The amount of stated capital immediately prior to the time the merger becomes effective of Common Stock then outstanding plus $2.50 for each share of such class issued in the merger as provided in Section 7.1 shall be the amount of stated capital at the time the merger becomes effective of such class of shares of the Corporation then outstanding.

ARTICLE IV: EARNED SURPLUS

The assets and liabilities of the Constituent Corporations shall be recorded on the books of the Corporation at the amounts at which they are stated on the books of the Constituent Corporations at the time the merger becomes effective. The excess of the assets of the Corporation, as the surviving corporation, taken at their fair value to the Corporation, over the sum of its liabilities, including liabilities derived from the Constituent Corporations or resulting from the merger, and stated capital, is at least equal to the combined earned surplus of the Constituent Corporations. The earned surplus of the Constituent Corporations shall constitute earned surplus of the Corporation.

ARTICLE V: DIRECTORS AND OFFICERS

The names and addresses of the first directors and officers of the Corporation at the time the merger becomes effective are, subject to the provisions of Section 18.1 below, as set forth in Exhibit B, entitled "First Directors and Officers of the Corporation", attached hereto and hereby made a part hereof, each of which directors holds such office at the time of adoption of this Agreement by the Board of Directors of TRW. If, prior to the time the merger becomes effective, any of the persons named in such Exhibit B as the first directors shall be unable or unwilling to serve as a director of the Corporation, the Board of Directors of the Corporation may fill such vacancy to the extent permitted by law.

ARTICLE VI: SERVICE OF PROCESS

P. W. Schuette, whose address is 23555 Euclid Avenue, Euclid, Cuyahoga County, Ohio 44117, hereby is appointed as the person upon whom any process, notice or demand against either Constituent Corporation or the Corporation may be served. The Corporation hereby agrees it may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of IRC, as well as for enforcement of any obligation of the Corporation arising from the merger, including any suit or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of Section 262 of the General Corporation Law of the State of Delaware, and hereby irrevocably appoints the Secretary of State of the State of Delaware as its agent to accept service of process in any such suit or other proceedings. The address to which a copy of such process may be mailed by such Secretary of State is TRW Inc., 23555 Euclid Avenue, Euclid, Ohio 44117 (Attention: Secretary).

ARTICLE VII: CHANGE OF SHARES

7.1 At the time the merger becomes effective, each share of IRC Common outstanding immediately prior to such time shall be changed into and become one-third of one share of Common Stock plus one-fourth of one share of the series of Serial Preference Stock II of the Corporation designated in Article Fourth of the amended articles as Cumulative Serial Preference Stock II, $4.40 Convertible Series 1 ("Series 1 Preference Stock"); provided, however, that (a) any shares of IRC Common owned by TRW or IRC at the time the merger becomes effective shall not be so changed but shall be cancelled and (b) the Corporation shall not issue any certificates for fractional shares of Common Stock or Series 1 Preference Stock, but in lieu thereof the Corporation will make cash payments (without interest) for such fractions on the basis

of $82.50 for a full share of Common Stock and on the basis of $100 for a full share of Series 1 Preference Stock. Notwithstanding the preceding sentence, however, if the time the merger becomes effective shall occur otherwise than on the day on which the proposed merger of United-Carr Incorporated into TRW shall become effective or otherwise than on the 16th day of any March, June, September or December subsequent to the day on which such proposed merger becomes effective, then at the time the merger becomes effective each share of IRC Common outstanding immediately prior to such time shall be changed into and become one-third of one share of Common Stock plus one-fourth of one share of the series of Serial Preference Stock II of the Corporation designated in such Article Fourth as Cumulative Serial Preference Stock II, $4.40 Convertible Series 2 ("Series 2 Preference Stock") and the phrase "Series 1 Preference Stock" where appearing in this Agreement (other than in this Section 7.1 (except for the proviso to the first sentence of this Section 7.1) and in the amended articles) shall be deemed to read "Series 2 Preference Stock". If, pursuant to the preceding sentence, the Corporation shall issue Series 2 Preference Stock pursuant to this Agreement and if the proposed merger of United-Carr Incorporated into TRW shall occur either before or after the time the merger becomes effective, then the Corporation shall, at its next annual or special meeting of shareholders held more than ninety days after the time when the later of such mergers becomes effective, submit to its shareholders, recommend the approval of and use its best efforts to cause to be approved a proposal to amend its then effective Amended Articles of Incorporation so as to cause each share of Series 2 Preference Stock outstanding at the time such amendment becomes effective to be changed into and become one share of Series 1 Preference Stock; and, upon such amendment, the then existing obligations of the Corporation, if any, to issue Series 2 Preference Stock upon the exercise of stock options referred to in Section 7.3 below shall be changed into and become obligations to issue Series 1 Preference Stock.

7.2 From and after the time the merger becomes effective, the holders of certificates for IRC Common shall cease to have any rights with respect to such stock (except such rights, if any, as they may have as dissenting shareholders), and (except as aforesaid) their sole rights shall be those to which they are entitled as owners of Common Stock and Series 1 Preference Stock into which their IRC Common shall have been changed by the merger, together with the right to receive cash in lieu of fractional shares of Common Stock and Series 1 Preference Stock as provided in Section 7.1. After the time the merger becomes effective, each holder of an outstanding certificate or certificates theretofore representing IRC Common shall be entitled, upon surrender of the same to the Corporation (duly endorsed as the Corporation may require), to receive in exchange therefor a certificate or certificates (as the holder requests) representing the number of full shares of Common Stock and Series 1 Preference Stock into which the shares of IRC Common theretofore represented by the certificate or certificates so surrendered shall have been changed as provided in Section 7.1, together with cash in lieu of fractional shares of Common Stock and Series 1 Preference Stock as provided in Section 7.1. Until so surrendered for exchange, each such outstanding certificate shall be deemed for all corporate purposes, other than the payment of dividends, to evidence the ownership of the number of full shares of Common Stock and Series 1 Preference Stock into which the shares of IRC Common have been so changed. Unless and until any such outstanding certificate for IRC Common shall be so surrendered, no dividend payable to holders of record of Common Stock and Series 1 Preference Stock as of any date subsequent to the time the merger becomes effective shall be paid to the holder of such outstanding certificate but, upon such surrender of such outstanding certificate (duly endorsed as the Corporation may require), there shall be paid to the record holder of the certificates of Common Stock and Series 1 Preference Stock issued in exchange therefor, the dividends (without interest) that have theretofore become payable with respect to the number of shares of Common Stock and Series 1 Preference Stock represented by said certificates issued upon such surrender and exchange.

7.3 At the time the merger becomes effective, each option granted pursuant to the IRC Qualified Stock Option Plan (1965) approved by the IRC shareholders on May 3, 1965, as amended through January 31, 1967, which remains outstanding immediately prior to the time the merger becomes effective shall be changed into and become an option to purchase one-third of one share of Common Stock plus one-fourth of one share of Series 1 Preference Stock for each share of IRC Common subject to such option immediately prior to the time the merger becomes effective; however, no exercise of an option shall require the issuance of a fractional share. The purchase price for each unit of one-third of one share of Common Stock plus one-fourth of one share of Series 1 Preference Stock shall be equal to the purchase price per share of each share

of IRC Common under the particular stock option agreement under which such option was granted as in effect immediately prior to the time the merger becomes effective, and the rights and obligations of IRC under such stock option agreement shall, modified as above provided, become the rights and obligations of the Corporation. Each such stock option agreement shall otherwise be upon the same terms and conditions and have the same provisions (including antidilution provisions) as are contained therein immediately prior to the time the merger becomes effective.

7.4 If, between the date of this Agreement and the time the merger becomes effective, TRW shall split or combine or declare any stock dividend upon the outstanding shares of Common Stock, then an appropriate adjustment to reflect the same shall be made (a) as to the amount of Common Stock into which each share of IRC Common outstanding immediately prior to the time the merger becomes effective shall be changed at such time as provided in Section 7.1 (and in the cash payments in respect of fractions of shares of Common Stock therein contemplated), and (b) as to the amount of Common Stock issuable on the exercise of options to be assumed by the Corporation at the time the merger becomes effective as provided in Section 7.3.

7.5 At the time the merger becomes effective, (a) each share of Cumulative Preferred Stock outstanding (or held in the treasury of TRW, if any) immediately prior to the time the merger becomes effective shall continue to be one share of Cumulative Preferred Stock of the Corporation of the same class having the same designation and terms as provided for shares of such class immediately prior to such time; (b) each share of Preference Stock of each series outstanding (or held in the treasury of TRW, if any) immediately prior to the time the merger becomes effective shall continue to be one share of Preference Stock of the Corporation of the same class and series having the same designation and terms as provided for shares of such class and series immediately prior to such time; (c) each share of Preference Stock II of each series outstanding (or held in the treasury of TRW), if any, immediately prior to the time the merger becomes effective shall continue to be one share of Preference Stock II of the Corporation of the same class and series having the same designation and terms as provided for shares of such class and series immediately prior to such time; (d) each share of Common Stock outstanding (or held in the treasury of TRW) immediately prior to the time the merger becomes effective shall continue to be one share of Common Stock of the Corporation having the same designation and terms as provided for shares of Common Stock immediately prior to such time; and (e) each share of each other class, if any, of TRW stock, and of each series thereof, if any, outstanding (or held in the treasury of TRW, if any) immediately prior to the time the merger becomes effective shall continue to be one such share having the same designation and terms as provided therefor immediately prior to such time. All such designations and terms for shares will, subject to the provisions of Section 18.1 below, at the time the merger becomes effective be as set forth in Article Fourth of the amended articles.

ARTICLE VIII: EFFECT OF MERGER; FURTHER ASSURANCES

8.1 From and after the time the merger becomes effective, the effect of the merger shall be as provided in the applicable provisions of the Ohio and Delaware laws. Without limiting the generality of the foregoing, and subject thereto, at such time: the separate existence of IRC shall cease; the Corporation shall possess all the rights, privileges, immunities, powers, franchises and authority, as well of a public as of a private nature, of each of the Constituent Corporations; all property of every description, real, personal and mixed, and every interest therein, and all debts and obligations of or belonging to or due to IRC on whatever account shall thereafter be taken and deemed to be transferred to and vested in the Corporation without further act or deed; title to any real estate, or any interest therein, vested in either of the Constituent Corporations by deed or otherwise shall not revert or in any way be impaired by reason of this merger; all rights of creditors of each Constituent Corporation shall be preserved unimpaired, and all liens upon the property of each of the Constituent Corporations shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the time the merger becomes effective; and all debts, liabilities and duties of IRC shall thenceforth attach to the Corporation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

8.2 From time to time as and when requested by the Corporation, or by its successors or assigns, and without further consideration, IRC shall execute and deliver such instruments and shall take or cause to be

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taken such actions as the Corporation, its successors or assigns, reasonably may require to vest or perfect in or to confirm of record or otherwise to the Corporation, its successors or assigns, title to, and possession of, all the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of IRC, and otherwise to carry out the purposes of this Agreement.

ARTICLE IX: REPRESENTATIONS OF IRC

9.1 IRC hereby makes the following representations to TRW, which representations shall not survive the time the merger becomes effective:

(a) *Corporate Status.*

IRC is a corporation duly organized, validly existing and in good standing under the laws of Delaware and has full corporate power and authority to own its properties and assets and to carry on its business as it has been and is conducted. IRC is duly qualified to do business in each state or other jurisdiction in which the nature of its business, properties or assets requires such qualification. IRC's authorized capital stock consists solely of 2,500,000 shares of IRC Common, of which as at October 6, 1967 1,606,775 shares were issued and outstanding, 1,000 shares were held in treasury and 892,225 shares were authorized but unissued. All of such 1,606,775 outstanding shares were validly issued, fully paid and non-assessable. At the close of business on October 20, 1967, the information concerning the ownership of IRC Common set forth in *Schedule I* (entitled "Ownership of IRC Shares", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification) was correct.

IRC has no commitment, either firm or conditional, to sell or issue (whether under outstanding offers, stock purchase or option agreements, warrants, conversion rights or otherwise) and since October 5, 1967 has not sold or issued any capital stock or other securities, except pursuant to IRC's commitments under stock option agreements described in Schedule V referred to in clause (h) of this Section 9.1 (the "Contract Schedule").

Except for Holyoke Wire and Cable Corporation, a New York corporation ("Holyoke"), and for Hycor Company, Inc. (Puerto Rico), a Puerto Rican corporation ("Hycor"), both of which are wholly-owned by IRC, IRC has no direct or indirect, wholly or partially owned subsidiaries conducting business, and, except as set forth in the next paragraph, neither it nor any of its subsidiaries has any other investment (equity or debt) in any other corporation, firm or organization exceeding $110,000 in the aggregate.

Except as set forth in the preceding paragraph, IRC has no subsidiaries other than (i) IRC, Inc., a New Jersey corporation, (ii) International Resistance Company, a New Jersey corporation, and (iii) IRC Electronica Ltda., a Brazilian corporation. Each of the subsidiary corporations mentioned in this paragraph is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is respectively incorporated. Except for 10 qualifying shares in the case of IRC Electronica Ltda., IRC owns all of their respective outstanding capital stock (consisting in each case solely of common stock) and the entire voting power of each of them, and none of them has any other outstanding securities. Such subsidiaries have no liabilities or obligations (absolute or contingent). IRC is presently in the process of forming an Argentinian corporation (IRC Electronica, S. A.), in which it is anticipated it will own at least 33,000 out of 165,000 authorized shares. IRC is not committed to make any payment to or in respect of such corporation in excess of $10,000.

Holyoke and Hycor are corporations duly organized, validly existing and in good standing under the laws of New York and Puerto Rico, respectively, and have full corporate power and authority to own their respective properties and assets and to carry on their respective businesses as they have been and are conducted. They are each duly qualified to do business in each state or other jurisdiction in which the nature of their respective businesses, properties or assets requires such qualification. IRC owns all of their respective outstanding capital stock and other securities and the entire voting power of each of them. All of such outstanding capital stock (33,243 shares of common stock, par value $25 per share, in the case of Holyoke and 6,000 shares of common stock, par value $5 per share, in the case of Hycor) is validly issued, fully paid and non-assessable. Neither IRC, Holyoke nor Hycor has any commitment, either firm or conditional, to sell or issue (whether under outstanding offers, stock purchase or option agreements, warrants, conversion rights or otherwise) any capital stock or other securities of Holyoke or Hycor.

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True and complete copies of the Certificate of Incorporation and By-Laws of IRC, Holyoke and Hycor, each as amended to date, have been delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification).

(b) *Financial Statements.*

IRC has delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification) the unaudited balance sheet of IRC as at October 22, 1967 (the "IRC October 22 Balance Sheet") and the related statement of the results of operations for the period of 42 weeks then ended (all certified by Stanley R. Klion), together with the audit reports of Messrs. Peat, Marwick, Mitchell & Co. for IRC's fiscal year ended January 1, 1967 and for each of IRC's four preceding fiscal years. Each such audit report contains, inter alia, a balance sheet as at the end of the particular fiscal year, a statement of the results of operations for such year and, for the fiscal year ended January 1, 1967 only, a statement of source and disposition of funds. Each of such unaudited and audited balance sheets and each of such unaudited and audited statements of the results of operations and of the source and disposition of funds and each of such audit reports are correct and complete and fairly present in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the financial position of IRC at the respective dates, the results of operations of IRC for the respective periods set forth therein and the source and disposition of IRC's funds during its fiscal year ended January 1, 1967.

IRC has delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification) the unaudited balance sheets of Holyoke as at June 30, 1967 and September 30, 1967 (the "Holyoke September 30 Balance Sheet") and the related statements of income and retained earnings for Holyoke's fiscal year and its period of three months then ended (all certified by Stanley R. Klion), together with the long form of audit report of Messrs. Lybrand, Ross Bros. & Montgomery for the fiscal years of Holyoke ended June 30, 1963, 1964, 1965 and 1966. Each such audit report contains, inter alia, a balance sheet as at the end of the particular fiscal year and a statement of income and retained earnings for such year. Each of such unaudited and audited balance sheets and each of such unaudited and audited statements of income and retained earnings and each of such audit reports are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the financial position of Holyoke at the respective dates and the results of operations of Holyoke for the respective periods set forth therein.

IRC has delivered to TRW prior to the date of this Agreement (initialed by Edward S. Weyl or Wilson Oelkers for identification and certified by Stanley R. Klion) the unaudited balance sheet of Hycor as at September 17, 1967 (the "Hycor September 17 Balance Sheet") and the related statement of the results of operations for the period of 37 weeks then ended, together with comparable financial information for Hycor's fiscal year ended January 1, 1967 and each of Hycor's four preceding fiscal years. Each of such balance sheets and each of such statements of the results of operations are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the financial position of Hycor at the respective dates and the results of operations of Hycor for the respective periods set forth therein.

(c) *Absence of Undisclosed Liabilities.*

IRC, Holyoke and Hycor, respectively, each have no liabilities or obligations (absolute or contingent) other than (i) those reflected in its latest balance sheet referred to above and not paid or discharged after the date of such balance sheet, (ii) those arising under agreements and commitments listed or described in any of, or permitted to be omitted from all of, the schedules delivered by IRC to TRW pursuant to this Agreement, (iii) those incurred since the date of such balance sheet in the ordinary and usual course of its business (in transactions in the ordinary and usual course of its business) which are not inconsistent with the other representations or agreements of IRC set forth in this Agreement or with the fulfillment of the conditions set forth in Article XV, and (iv) possible liabilities or obligations in respect of product warranties, none of which extend beyond one year from the date of sale of the products involved, and all of which, to the best of the knowledge and belief of IRC, do not exceed in the aggregate $150,000 in the case of IRC and $30,000 in the case of Holyoke.

(d) *Absence of Certain Changes or Events.*

(i) Since September 1, 1967 IRC has not made or committed itself to make any distribution of any of its assets by way of declaration or payment of dividends, redemption or purchase of shares or otherwise, except to the extent permitted by clause (a) (ii) of Article XI.

(ii) There is no claim, litigation, proceeding or governmental investigation pending, or to the best of the knowledge and belief of IRC or any of its subsidiaries, threatened against or affecting IRC or any of its subsidiaries or the respective businesses, properties or assets of IRC or its subsidiaries except as indicated in *Schedule II* (entitled "Claims, Litigation, Proceedings, Etc., Affecting IRC and its Subsidiaries", delivered to TRW prior to the date of this Agreement, initialed by Edward S. Weyl or Wilson Oelkers for identification and herein called the "Litigation Schedule"). Without limiting the generality of the foregoing, neither IRC nor any of its subsidiaries are engaged in any patent, trademark, trade secret or other proprietary know-how controversy or any controversy with respect to the performance of products sold by IRC or any of its subsidiaries, except as listed or described in the Litigation Schedule. The manufacture, sale and use by IRC and its subsidiaries of their respective present products, processes, compositions of material and apparatus does not infringe, and continued manufacture, sale and use thereof by the Corporation or any subsidiary thereof will not infringe, any existing valid patent or trademark rights or involve the improper use of trade secrets or other proprietary know-how belonging to third parties. Neither IRC nor any of its subsidiaries is subject to any judgment, order, writ, injunction or decree of any court or governmental authority except for such, if any, as may be listed or described in the Litigation Schedule.

(iii) Since January 1, 1967 neither IRC nor any of its subsidiaries has (A) engaged in any activity or entered into or carried out any transaction other than in the ordinary and usual course of their respective businesses, except, in the case of IRC, for the purchase by it of all of the outstanding shares of capital stock of Holyoke pursuant to an Agreement dated March 27, 1967 between IRC and certain Selling Shareholders identified therein; or (B) through the date of this Agreement, incurred any change in their respective financial conditions, results of operations, businesses, properties or assets other than changes in the ordinary and usual course of business, none of which has been materially adverse, or experienced any occurrence or circumstance which has had or might reasonably be expected to have a material adverse effect on their respective financial conditions, results of operations, businesses, properties or assets.

(iv) Since January 1, 1967 neither IRC nor any of its subsidiaries has paid or committed itself to pay to or for the benefit of any of its directors, officers, employees or sales representatives any salary, wages, bonuses, profit sharing, pension, retirement or deferred compensation payments, or any other form of direct compensation or benefits, other than wages, salaries and sales commissions at rates then in effect and except (A) increases required pursuant to union agreements then in effect, (B) merit increases made in the normal course of business to employees who are not officers of IRC or any of its subsidiaries, and (C) increases in commissions made in the normal course of business to sales representatives. Since January 1, 1967, however, IRC has continued to make permitted payments pursuant to its bonus and profit sharing plans listed in the Contract Schedule, granted one new stock option to an officer, increased the salary of an officer and entered into a post-employment benefit contract with an officer.

(e) *Title to Property.*

The properties and assets owned by IRC and its subsidiaries include:

(i) The real properties and leases described in *Schedule III* (entitled "Schedule of Real Properties Owned and Leased by IRC and Subsidiaries", delivered to TRW prior to the date of this Agreement, initialed for identification by Edward S. Weyl or Wilson Oelkers and herein called the "Real Estate Schedule");

(ii) The other properties and assets reflected on the IRC October 22 Balance Sheet, the Holyoke September 30 Balance Sheet and the Hycor September 17 Balance Sheet, except for those disposed of

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after the applicable balance sheet date by IRC, Holyoke or Hycor, as the case may be, in the ordinary and usual course of their respective businesses (none of which was necessary to the efficient and profitable continuation of their respective businesses); and

(iii) All other properties and assets (including, without limitation, real and personal property, plant and equipment, tooling, inventions, patents, trademarks, licenses and other rights) presently carried on their respective books or used at any time in their respective businesses since prior to January 1, 1967, except properties and assets disposed of in the ordinary and usual course of their respective businesses, none of which was necessary to the efficient and profitable continuation of their respective businesses, and except for the real properties and equipment leased by IRC or one of its subsidiaries pursuant to the leases listed or described in the Contract Schedule.

IRC and each of its subsidiaries have good and marketable title to all of their respective properties and assets, free and clear of any imperfection of title, lien, encumbrance, charge, equity or restriction other than (i) the lien of taxes not yet due and payable, and (ii) in the case of realty, the exceptions indicated in the Real Estate Schedule. None of the properties or operations of IRC or of its subsidiaries thereon violates any applicable zoning requirement or any other governmental requirement relating to such properties or operations (and such nonviolation is not dependent on so-called nonconforming use exceptions).

(f) *Receivables.*

The receivables of IRC, Holyoke and Hycor are valid and collectible, not subject to any defense or offset, except to the extent of the reserve for losses shown on the IRC October 22 Balance Sheet, the Holyoke September 30 Balance Sheet and the Hycor September 17 Balance Sheet, respectively, as said reserves are respectively adjusted to the time the merger becomes effective on the books of IRC, Holyoke and Hycor in the ordinary and usual course of their respective businesses to reflect events in the ordinary and usual course of their respective businesses subsequent to the dates of such respective balance sheets. Except for receivables not exceeding $15,000 in the aggregate, the only receivables of IRC or any of its subsidiaries owing by officers or other employees or substantial shareholders of IRC or any of its subsidiaries or by corporations, firms or organizations in which officers or employees or substantial shareholders of IRC or any of its subsidiaries have any substantial interest are as set forth in *Schedule IV* (entitled "IRC and Subsidiary Advances to Officers, Etc.", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification).

(g) *Inventory.*

The items in the physical inventories of IRC, Holyoke and Hycor, respectively (except for items which on or before the date of its latest balance sheet referred to in clause (b) of this Section 9.1 have been determined to be obsolete under its normal practices and the entire value of which has been written off at or prior to the applicable balance sheet date, or which has been so written off since such date upon like determination to reflect events in the ordinary and usual course of its business since such date) consist solely of the following in quantities reasonably related to the requirements of its business: (i) raw materials, work in process and finished goods suitable and merchantable for filling orders in the ordinary and usual course of its business, and (ii) supplies suitable for use in the ordinary and usual course of its business.

(h) *Contracts and Commitments.*

Schedule V (entitled "Contracts and Commitments of IRC and Subsidiaries", delivered to TRW prior to the date of this Agreement, initialed by Edward S. Weyl or Wilson Oelkers for identification and herein called the "Contract Schedule") lists or describes in respect of IRC and each of its subsidiaries:

Each contract or commitment involving more than $7,500 for the purchase of, and each contract or commitment involving more than $25,000 for the sale of, inventory, supplies, equipment, capital assets, products or services; all unfilled government contracts involving more than $7,500; all insurance policies; all pension, profit sharing, retirement, bonus, deferred compensation, stock purchase, stock option or other employee benefit plans or arrangements; all contracts with or commitments to employees, directors, officers, shareholders or consultants (including collective bargaining agreements); all contracts or commitments evi

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dencing or providing for loans; all contracts or commitments for distributorships, dealerships or sales representation; all leases; all licenses and other contracts and commitments relating to patents, trademarks, trade names or copyrights, or applications for any thereof, inventions, trade secrets or other proprietary know-how; and all contracts and commitments not in the ordinary and usual course of their respective businesses. Prior to the date of this Agreement, IRC has made available to TRW a correct copy of each of the contracts and commitments listed or described in the Contract Schedule which were in writing and has delivered to TRW such thereof as have been requested by TRW, and all written contracts or commitments so delivered have been initialed for identification by an IRC officer or counsel to IRC. All the contracts and commitments listed or described in the Contract Schedule are valid and binding and in full force and effect, and, except for possible default in meeting delivery schedules on certain sales orders which will have no material adverse consequences, no occurrence or circumstance exists which constitutes a breach or default (or which by the lapse of time and/or giving of notice would constitute a breach or default) by IRC or any of its subsidiaries under such contracts or commitments.

(i) *Patents and Trademarks.*

All patents, trademarks, trade names and copyrights, and all applications for any thereof, and all invention disclosures directly or beneficially owned by IRC and its subsidiaries are as set forth in *Schedule VI* (entitled "IRC and Subsidiary Patents, Etc.", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification). Since prior to April 1, 1966, IRC has had a contractual arrangement relating to rights in inventions, etc., substantially in the forms referred to in the Contract Schedule with each of its employees (including officers) who are exempt employees for purposes of the Fair Labor Standards Act, as amended, and all other employees engaged in duties of a technical nature.

(j) *Compliance with Law.*

Except for possible minor exceptions the curing of which would not have a material effect on the respective financial conditions, results of operations, businesses, properties or assets of IRC and its subsidiaries, each of their respective businesses have been conducted since prior to January 1, 1957 in accordance with the applicable laws and other requirements of governmental authorities.

(k) *Authorization of Agreement.*

This Agreement and the consummation hereof have been fully authorized on behalf of IRC by all requisite corporate action, except for the vote of its shareholders contemplated by this Agreement. Neither the execution nor the consummation of this Agreement does or will constitute a breach or default (or an occurrence which, by the lapse of time and/or the giving of notice, would constitute a breach or default) under any contract or commitment to which IRC or any of its subsidiaries is a party or by which any of their respective properties or assets are bound or result in the creation or imposition of any lien, encumbrance, charge, equity or restriction of any nature whatsoever in favor of any third party upon any of the properties or assets of IRC or of any of its subsidiaries.

(l) *Brokers.*

Neither IRC nor any of its shareholders has, directly or indirectly, dealt with anyone acting as broker, finder or in a similar capacity, and IRC has not, and will not, incur any obligation for any broker's, finder's or similar fee or commission in connection with this Agreement or any of the transactions contemplated hereby.

(m) *Insurance.*

IRC and its subsidiaries have in full force and effect the policies of insurance set forth on *Schedule VII* (entitled "Insurance of IRC and Subsidiaries", delivered to TRW prior to the date of this Agreement and initialed by Edward S. Weyl or Wilson Oelkers for identification), with all premiums due thereon paid.

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(n) *Taxes.*

All tax returns and reports of IRC and its subsidiaries required by law to be filed have been duly filed. All taxes, assessments, fees, penalties, interest and other governmental charges with respect to IRC and its subsidiaries which are due and payable have been paid. All federal income tax returns of IRC and Holyoke have been examined by the Internal Revenue Service through the fiscal years ended January 3, 1965 and June 30, 1964, respectively, and all assessments asserted with respect to such years and all prior years have been paid. Hycor's income tax returns have been audited by the Puerto Rican government through its fiscal year ended December 31, 1963, and all assessments asserted with respect to such year and all prior years have been paid. The most recent balance sheets of IRC, Holyoke and Hycor, identified in clause (b) of this Section 9.1, contain adequate provision for all taxes, assessments, fees, penalties, interest and other governmental charges which were, are or may become payable with respect to them at any time as a result of events occurring on or before the respective dates thereof.

(o) *Renegotiation.*

IRC has no liability (absolute or contingent) under any federal requirement relating to the renegotiation or redetermination of profits or prices for sales made prior to January 2, 1966 and neither Holyoke nor Hycor have any such liability whatsoever. To the best of the knowledge and belief of IRC, the liability, if any, of IRC under any such requirement for sales made on and after January 2, 1966 through the date of this Agreement does not, and as at December 31, 1967 will not, exceed $125,000, net of applicable federal income taxes.

9.2 The sole relief or remedy of TRW by reason of a misrepresentation by IRC shall be the termination of this Agreement pursuant to Article XVII.

ARTICLE X: REPRESENTATIONS OF TRW

10.1 TRW hereby makes the following representations to IRC, which representations shall not survive the time the merger becomes effective:

(a) *Corporate Status.*

TRW is a corporation duly organized, validly existing and in good standing under the laws of Ohio and has full corporate power and authority to own its properties and assets and to carry on its business as it has been and is conducted. The information as to TRW capital stock set forth in the first recital clause of this Agreement is accurate as at September 30, 1967.

(b) *Financial Statements.*

TRW has delivered to IRC copies of TRW's Annual Reports to its shareholders for the five calendar years 1962 through 1966 and its report to shareholders for the six months ended June 30, 1967, containing, in each case, TRW's consolidated balance sheet as at the end of each such year or period and its statement of consolidated income for such year or period. Subject, in the case of such report to shareholders for such six months, to Note (E) thereto, such audited and unaudited financial statements are correct and complete and fairly present, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, the consolidated results of operations for each of such years and such period and, in the case of such balance sheet as at June 30, 1967, the consolidated financial position of TRW as at such date.

(c) *Absence of Events.*

From December 31, 1966 through the date of this Agreement, there has been no material adverse change in the financial condition, results of operations or business of TRW and its consolidated subsidiaries taken on a consolidated basis, or any occurrence or circumstance experienced by them which has had or might reasonably be expected to have a material adverse effect on such financial condition, results of operations or business.

10.2 The sole relief or remedy of IRC by reason of a misrepresentation by TRW shall be the termination of this Agreement pursuant to Article XVII.

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ARTICLE XI: CERTAIN AGREEMENTS OF IRC

IRC hereby agrees that between the date of this Agreement and the time the merger becomes effective:

(a) Except as otherwise expressly permitted by this Agreement, and except as TRW may otherwise consent to in writing from time to time, IRC will, and will cause each of its subsidiaries to, conduct its business and affairs only in the ordinary and usual course and not engage in any activity or enter into any transaction outside the ordinary and usual course of business. Without limiting the generality of the foregoing, IRC will not, and will not permit its subsidiaries to, (except as aforesaid) engage in any activity or enter into any transaction which would be inconsistent with any of IRC's representations set forth in Section 9.1 if such representations were made as of a date subsequent to such activity or transaction and all references to the date of this Agreement were deemed to be such latter date; provided, however, that, notwithstanding the foregoing: (i) IRC and its subsidiaries may in the ordinary and usual course of their respective businesses enter into, amend or terminate any contract or commitment of a type listed or described in the Contract Schedule which is indicated in such Schedule to be a type entered into in the ordinary and usual course; and (ii) IRC may declare and pay (A) cash dividends aggregating not in excess of $0.40 per share of IRC Common to be paid on or prior to December 1, 1967 and (B) quarterly cash dividends not in excess of $0.25 per share of IRC Common for each quarterly period of three full calendar months which shall elapse from December 1, 1967 through the day prior to the time the merger becomes effective, plus (C) such additional equalizing cash dividend, if any, in respect of the period (the "Equalizing Period"), commencing after the end of the last such quarterly period of three full calendar months to occur prior to the time the merger becomes effective and ending on the first dividend payment date for TRW Common occurring after such time, as shall be appropriate to result in the payment by IRC and/or the Corporation to holders or former holders of IRC Common of cash dividends equal to dividends through the day prior to such time at the rate of the last permitted quarterly cash dividend paid by IRC and for the balance of the Equalizing Period at the rate of one-third of the then prevailing quarterly cash dividend upon TRW Common (the amount of which equalizing cash dividend shall be determined in a written agreement executed by the officers of the Constituent Corporations authorized to make such determination by their respective Boards of Directors, and the amount so determined shall be conclusive and binding upon the Constituent Corporations, the Corporation and their respective shareholders).

(b) IRC will (i) provide to TRW and its representatives, during normal business hours, full access to all of the properties, assets, books, agreements, commitments and records of IRC and its subsidiaries, (ii) furnish TRW and such representatives with all such information concerning any of the affairs of IRC and its subsidiaries as TRW reasonably requests, (iii) use its best efforts to cause the past and present auditors of IRC and its subsidiaries to make available to TRW and such representatives all financial information requested, including the right to examine all working papers, pertaining to audits and reviews made heretofore or hereafter by such auditors, (iv) provide such cooperation as TRW and such representatives may reasonably request in connection with any audit or review of IRC and its subsidiaries which TRW may direct its representatives to make, and (v) to the extent reasonably requested by TRW, obtain from the other party or parties to all contracts, commitments or other rights to which IRC is a party, appropriate consents in writing to the succession of the Corporation to the interests of IRC in such contracts, commitments and other rights.

(c) IRC will give such notices and take such further action as may be reasonably requested by TRW to comply with all applicable laws.

(d) IRC will use its best efforts to preserve its own and each of its subsidiaries' respective business organizations intact, to keep available to TRW the services of the present employees of IRC and its subsidiaries, including officers, and to preserve for TRW the good will of the suppliers, customers and others having business relations with IRC and its subsidiaries.

(e) IRC will provide TRW not later than January 12, 1968, to the extent requested by TRW not later than November 27, 1967, with:

(i) commitments from title companies acceptable to TRW to the effect that such companies shall be prepared to issue and deliver to the Corporation at or promptly after the time the merger becomes effective policies of title insurance in forms acceptable to TRW insuring to the Corporation

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(and to Holyoke or Hycor in the case of real property owned or leased by them) in such amounts as TRW may reasonably request for each parcel of real estate described as owned or leased by any of them on the Real Estate Schedule, good and marketable fee title to each such owned parcel, and a good and marketable leasehold title to each such leased parcel, in each case free and clear of imperfections in title and all liens, encumbrances, charges, equities and restrictions other than the exceptions set forth in such Schedule; provided that if title insurance is not available in the applicable jurisdiction an opinion as to title acceptable to TRW by counsel acceptable to TRW may be substituted for the title commitment; and

(ii) surveys of the real estate described in such Schedule certified as of a date subsequent to the date of this Agreement by a surveyor licensed by the state in which any particular surveyed property is situate (and, if TRW requests a title insurance commitment with respect to such property, satisfactory to the title company so committing), such surveys to show, among other things, boundary lines, access to public streets, improvements, building lines, easements (whether of record or in fact), the relationship of adjoining property and improvements to real estate and other improvements and such other matters as TRW may reasonably request.

(f) Forthwith IRC will cause TRW to be named as an insured in all of IRC's insurance policies to the extent of TRW's interest as it may appear.

(g) IRC shall deliver to TRW not later than January 31, 1968 an audit report of Messrs. Peat, Marwick, Mitchell & Co. which shall contain a consolidated and consolidating balance sheet of IRC and Holyoke as at December 31, 1967 and the related consolidated and consolidating statements of the results of operations for the fiscal year then ended and of the source and disposition of funds during such year. Such audit report will, as delivered, be correct and complete and fairly present, on a consolidated and consolidating basis and in accordance with generally accepted accounting principles applied on a basis consistent with prior periods, the financial positions of IRC and Holyoke as at December 31, 1967, the results of their respective operations for the fiscal year then ended and the source and disposition of their respective funds during such year. Such audit report will be accompanied by the certificate of Messrs. Peat, Marwick, Mitchell & Co. to the effect that such presentation, on a consolidated and consolidating basis, is as aforesaid.

(h) IRC will promptly take such action as may be necessary to call and hold a meeting of its shareholders to adopt this Agreement and to authorize consummation of the transactions contemplated hereby and such other matters as may be appropriate or required.

(i) IRC will promptly advise TRW in writing of each written objection made under Section 262 of the General Corporation Law of the State of Delaware.

ARTICLE XII: CERTAIN AGREEMENTS OF TRW

12.1 Except as IRC may otherwise consent in writing, TRW will not prior to the time the merger becomes effective (a) declare or pay any dividend or make any other distribution on Common Stock other than (i) the declaration and payment of regular quarterly dividends not exceeding $0.45 per share per quarter, (ii) the declaration and payment of a year-end extra dividend in respect of 1967 not exceeding $0.20 per share, and (iii) distributions of the type covered by Section 7.4 above; or (b) change the amended articles so as to (i) authorize or create, or increase the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to Serial Preference Stock II; or (ii) change the provisions of Division C-1 or Division C-2 of Article Fourth of the amended articles (or of Division C thereof insofar as such Division C relates to such Division C-1 or Division C-2), except to increase the authorized number of shares.

12.2 TRW will use its best efforts:

(a) to list, subject to notice of issuance, on the New York Stock Exchange, the shares of Series 1 Preference Stock to be issued in connection with the merger (including those to be reserved for issuance upon exercise of options referred to in Section 7.3 above); and

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(b) to list, subject to notice of issuance, on each stock exchange on which Common Stock is listed, the shares of Common Stock to be issued in connection with the merger (including those to be reserved for issuance upon exercise of such options) and the shares of Common Stock into which the aforesaid shares of Series 1 Preference Stock are convertible.

ARTICLE XIII: FURTHER AGREEMENTS OF CONSTITUENT CORPORATIONS

13.1 IRC will use its best efforts to obtain a ruling satisfactory to IRC and TRW from the Internal Revenue Service (based on a request for a ruling, including information furnished in support of such request, satisfactory to IRC and TRW) to the effect that (a) the merger of IRC into TRW pursuant to this Agreement will constitute a "reorganization" within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1954, as amended (the "Code"), (b) for federal income tax purposes, no gain or loss will be recognized to IRC or TRW upon the merger or (except in respect of cash received in lieu of a fractional share or by dissenting shareholders) to any IRC or TRW shareholder upon the merger or upon receipt of Common Stock or Series 1 Preference Stock to be issued in the merger, and (c) Section 306(a) of the Code will not apply to the sale or other disposition of shares of Series 1 Preference Stock to be issued in the merger other than, possibly, to a sale or disposition, within five years from the date the merger becomes effective, to the Corporation or in anticipation of a redemption by the Corporation.

13.2 Neither of the Constituent Corporations shall voluntarily undertake any course of action inconsistent with satisfaction of the conditions applicable to it set forth in this Agreement, and each shall promptly do all such acts and take all such measures as may be appropriate to comply as early as practicable with the representations, agreements, conditions and other provisions of this Agreement.

ARTICLE XIV: CONDITIONS ON OBLIGATION OF IRC

The obligation of IRC to consummate the merger contemplated by this Agreement (by causing the time the merger becomes effective to occur) shall be subject to the following conditions:

(a) TRW's representations contained in this Agreement shall be true and correct both on the date hereof and immediately prior to the time the merger becomes effective (applied without change of specified dates); and TRW shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by TRW prior to such time.

(b) Subsequent to the date of this Agreement, there has been no material adverse change in the financial condition, results of operations or business of TRW and its subsidiaries, taken on a consolidated basis, other than changes in the ordinary and usual course of business, and no occurrence or circumstance experienced by them outside of the ordinary and usual course of business which has had or might reasonably be expected to have such a material adverse effect on such financial condition, results of operations or business.

(c) The information provided by TRW for use in any IRC proxy soliciting material or letter to shareholders shall, at the time of the vote of the IRC shareholders upon this Agreement, not be false or misleading in any material respect or fail to state any fact necessary to make the statements therein not false or misleading in any material respect; and TRW will indemnify and hold harmless each officer, director, and each person, if any, who controls IRC within the meaning of the Securities Act of 1933, as amended, against any losses, claims, damages or liabilities to which any such officer, director, or controlling person may be subject under such Act or otherwise insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement in any IRC proxy soliciting material or letter to shareholders, which statement was made in reliance upon and in conformity with written material with respect to TRW and United-Carr Incorporated and their subsidiaries furnished and signed by the General Counsel or Assistant General Counsel or the Secretary of TRW specifically for use in the preparation thereof, and will reimburse any such officer, director, or controlling person for any legal or other expenses reasonably incurred by him in connection with investigating or defending any such loss, claim, damage, liability or action.

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(d) TRW shall be prepared to deliver to IRC, immediately upon completion of the filings intended to effect the merger, an opinion of E. E. Ford, R. J. Leaver or other internal counsel for TRW, dated as at the date of such filings and addressed to IRC, in form and substance satisfactory to counsel for IRC, to the effect that (i) the TRW representations set forth in clause (a) of Section 10.1 are correct and the condition set forth in clause (j) of this Article XIV has been satisfied; and (ii) upon such filings the merger of IRC into TRW became effective pursuant to Chapter 1701 of the Ohio Revised Code and, assuming the IRC Common outstanding immediately prior to such merger was fully paid and non-assessable, the shares of Common Stock and Series 1 Preference Stock into which such IRC Common was changed in the merger are (and the shares of Common Stock into which such shares of Series 1 Preference Stock are convertible will be) fully paid and non-assessable.

(e) Messrs. White and Williams, counsel for IRC, shall be prepared to deliver to IRC immediately upon completion of the filings intended to effect the merger, their opinion, dated as at the date of such filings and addressed to IRC, to the effect that this Agreement and the consummation hereof have been fully authorized on behalf of IRC by all requisite corporate action and that, upon such filings, the merger of IRC into TRW became effective pursuant to the General Corporation Law of the State of Delaware.

(f) IRC shall have received a ruling by the Internal Revenue Service at least as favorable as that contemplated by Section 13.1 above.

(g) At a meeting duly called and held for such purposes, the IRC shareholders shall have duly adopted this Agreement and approved the transactions contemplated hereby by the affirmative vote of the holders of at least two-thirds of the total number of the outstanding shares of IRC Common in accordance with the applicable provisions of the General Corporation Law of the State of Delaware.

(h) The New York Stock Exchange shall have approved for listing on said Exchange upon official notice of issuance the shares of Common Stock which are referred to in Section 12.2.

(i) Prior to the time the merger becomes effective, there shall be no litigation or proceeding pending or threatened against IRC or any director of IRC or involving the properties or assets of IRC for the purpose of enjoining or preventing the consummation of this Agreement or otherwise claiming that such consummation, or this Agreement, is improper.

(j) This Agreement and the consummation hereof shall have been fully authorized on behalf of TRW by all requisite corporate action.

(k) TRW shall have furnished to IRC a certificate dated the time the merger becomes effective, signed by a Vice President, and by its Secretary or an Assistant Secretary, to the effect that to the best of their knowledge and belief the conditions set forth in clauses (a), (b), (c) and (j) of this Article XIV have been satisfied.

ARTICLE XV: CONDITIONS ON OBLIGATION OF TRW

The obligation of TRW to consummate the merger contemplated by this Agreement (by causing the time the merger becomes effective to occur) shall be subject to the following conditions:

(a) The representations of IRC contained in this Agreement (read without regard to knowledge and belief qualifications) shall be true and correct both on the date hereof and immediately prior to the time the merger becomes effective (applied without change of specified dates); and IRC shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by IRC prior to such time.

(b) Subsequent to the date of this Agreement, there has been no material adverse change in the financial condition, results of operations, business, properties or assets of IRC or any of its subsidiaries other than changes in the ordinary and usual course of their respective businesses, and no occurrence or circumstance experienced by any of them outside of the ordinary and usual course of their respective businesses has had or might reasonably be expected to have such a material adverse effect on such financial condition, results of operations, business, properties or assets.

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(c) Prior to the time the merger becomes effective, there shall be no litigation or proceeding (i) pending or threatened against IRC, any of its subsidiaries, TRW or any of their respective directors or involving the properties or assets of any of the foregoing, for the purpose of enjoining or preventing the consummation of this Agreement or otherwise claiming that such consummation, or this Agreement, is improper, or (ii) pending or threatened against TRW which, if decided adversely to TRW, would adversely affect the right of TRW to retain the property and other assets or continue the operations of the property, assets and business of IRC or any of its subsidiaries if and when the merger becomes effective. Prior to such time, there shall be no governmental investigation pending or threatened which might lead to or result in any litigation or proceeding of the nature referred to in the foregoing sentence.

(d) The conditions set forth in clauses (f) and (g) of Article XIV shall have been satisfied.

(e) The stock exchange listings for Common Stock contemplated by Section 12.2 shall have been obtained, subject to official notice of issuance.

(f) Messrs. Jones, Day, Cockley & Reavis, counsel for TRW, shall be prepared to deliver to TRW at the time the merger becomes effective their opinion, dated as at such time and addressed to TRW, to the effect that the Common Stock and Series 1 Preference Stock to be issued pursuant to this Agreement may be issued in compliance with the Securities Act of 1933, as amended.

(g) E. E. Ford, R. J. Leaver or other internal counsel for TRW, as the case may be, shall be prepared to deliver to TRW immediately upon completion of the filings intended to effect the merger, his opinion, dated as at the date of such filings and addressed to TRW, to the effect contemplated by clause (d) of Article XIV.

(h) Messrs. White and Williams, counsel for IRC, shall be prepared to deliver to TRW immediately upon completion of the filings intended to effect the merger their opinion, dated as at the date of such filings and addressed to TRW, in form and substance satisfactory to counsel for TRW, to the effect contemplated by clause (e) of Article XIV and to the further effect that: (a) the IRC representations set forth in the first two paragraphs of clause (a) of Section 9.1 (except for the last sentence of the first paragraph thereof), in the last sentence of clause (k) of said Section 9.1 and, to the best of their knowledge and belief, in the first two and last sentences of subclause (ii) of clause (d) of such Section 9.1 are correct at the date of such filings, and (b) to the best of their knowledge and belief, the condition set forth in clause (e) of this Article XV has been satisfied.

(i) The letter agreement or agreements entered into contemporaneously herewith between TRW and certain shareholders of IRC with respect to certain matters relating to the Securities Act of 1933, as amended, shall be in full force and effect with no breach or default as to any representation, warranty or agreement contained therein; and, except for the parties thereto, there shall not be any person who might reasonably be considered an "affiliate" of IRC as defined in Rule 133 under said Act.

(j) The Employment Agreement with TRW entered into contemporaneously herewith by Wilson Oelkers and the Consulting Agreement between TRW and Edward S. Weyl also entered into contemporaneously herewith are each in full force and effect with no breach or default as to any representation, warranty or agreement contained therein.

(k) The proxy soliciting material (and any accompanying letter to shareholders) to be submitted by IRC to its shareholders for the special meeting to be called to adopt this Agreement, and the information provided by IRC for use in any TRW listing application or other document relating to the merger, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(l) IRC shall have furnished to TRW a certificate dated the time the merger becomes effective, signed by such IRC officers as TRW may request, to the effect that to the best of their knowledge and belief the conditions set forth above in this Article XV (insofar as they relate to IRC) have been satisfied.

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ARTICLE XVI: TIME MERGER EFFECTIVE

The time the merger becomes effective shall mean the time this Agreement is filed in the office of the Secretary of State of Ohio following its filing with the Secretary of State in Delaware in accordance with Chapter 1701 of the Ohio Revised Code and the General Corporation Law of the State of Delaware.

ARTICLE XVII: TERMINATION

This Agreement may be terminated and abandoned, either before or after the meeting of IRC shareholders herein provided for, but prior to the time the merger becomes effective:

(a) By mutual written consent of IRC and TRW authorized by their respective Boards of Directors;

(b) By written notice from IRC to TRW authorized by the Board of Directors of IRC if the conditions provided in Article XIV shall not have been met by July 31, 1968 or the date of such notice, whichever is later; or

(c) By written notice from TRW to IRC authorized by the Board of Directors of TRW if the conditions provided in Article XV shall not have been met by July 31, 1968 or the date of such notice, whichever is later.

ARTICLE XVIII: MISCELLANEOUS

18.1 Any of the provisions of this Agreement may be waived at any time by the party which is, or the shareholders of which are, entitled to the benefit thereof upon the authority of the Board of Directors of such party, provided that any such waiver shall not, in the judgment of such Board, affect materially and adversely the benefits of such party or its shareholders intended under this Agreement. Any of the provisions of this Agreement (including Exhibits A and B) and any of the provisions of the schedules referred to herein as heretofore delivered to either party may be modified at any time prior to or after the vote hereon of the IRC shareholders by agreement in writing between the parties approved by the Board of Directors of each party and executed in the same manner (but not necessarily by the same persons) as this Agreement, provided that such modification shall not, in the judgment of the Board of Directors of either party, affect materially and adversely the benefits of such party or its shareholders intended under this Agreement.

Notwithstanding the provisions of the preceding paragraph, if at any time or from time to time prior to the time the merger becomes effective, the TRW articles as defined in division (D) of section 1701.01 of the Ohio Revised Code are amended so as to become changed from Exhibit A attached hereto or if the particulars with respect to directors and/or officers become changed from those contemplated by Exhibit B attached hereto, then to the extent specified by TRW in one or more written notices to IRC, this Agreement shall automatically reflect such change or changes, as the case may be. Such change or changes shall be evidenced by substituting for such attachment or attachments hereto, Exhibit A and/or Exhibit B, as the case may be, a new Exhibit or new Exhibits A and/or B reflecting such change or changes and this Agreement shall thereafter be re-executed by IRC and TRW to confirm the same. If a particular change in the TRW articles is of a type requiring IRC's consent under Section 12.1(b) above, such consent shall be a condition precedent to such change and re-execution as aforesaid.

Without limiting the generality of the foregoing paragraphs of this Section 18.1, and notwithstanding the provisions of Sections 1.2 and 12.1 and any other provision of this Agreement, TRW may, prior to the time the merger becomes effective, call a meeting of its shareholders and take other action to amend the TRW articles so that the TRW articles will be as set forth in Exhibit A attached hereto with the changes therein which are specified in Exhibit C attached hereto and hereby made a part hereof. In the event the TRW articles are so amended prior to the time the merger becomes effective, then Exhibit A, with the changes specified in Exhibit C, shall be (subject to further application of the provisions of this Section 18.1) the amended articles for all purposes of this Agreement. In such event, (a) the term "Common Stock" as

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used in this Agreement (other than in the first recital clause) shall at any particular time mean TRW Common Stock of the par value provided therefor in the TRW articles as at such time; (b) the figure "$2.50" in Article III shall be deemed to read "an amount equal to the par value"; and (c) there shall be added within the parenthetical phrase in clause (a) of Section 7.4, after the word "contemplated", the following:

". . . and in the manner of computing any additional equalizing cash dividend contemplated by clause (a)(ii)(C) of Article XI . . ."

18.2 To the extent permitted by law, the powers of the Board of Directors of TRW and IRC, respectively, under and with respect to this Agreement may be delegated by such respective Boards to their respective Executive Committees and/or to any of the officers of their respective corporations.

18.3 TRW agrees to hold in confidence any information not generally available to the public received by it from IRC or any of IRC's subsidiaries pursuant to the terms of this Agreement, and should this Agreement be terminated for any reason, TRW will continue to hold such information in confidence and will, to the extent requested by IRC, promptly return to IRC all written material given to TRW by IRC or any subsidiary pursuant hereto.

18.4 Any notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered to the President or a Vice President or the Secretary or an Assistant Secretary of IRC or TRW, as the case may be, or when delivered to or received by mail at the following address:

(a) If to IRC:

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108
Attention: President

(b) If to TRW:

TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117
Attention: Secretary

or at such other address as either party may notify the other.

18.5 In furnishing opinions pursuant to this Agreement, counsel may rely upon certificates of officers of the respective parties and their subsidiaries, opinions of other counsel and such other documents and data as they may deem appropriate as the basis for their opinions.

18.6 This Agreement shall supersede any other agreement, whether written or oral, that may have been made or entered into by IRC or TRW or by any officer or officers of such parties relating to the acquisition of the properties and assets of IRC by TRW. This Agreement constitutes the entire agreement between the parties and there are no representations, warranties or commitments except as set forth herein; it may be amended only by instrument in writing executed by the parties hereto and authorized as provided herein. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm or corporation other than the parties hereto and their respective shareholders any rights or remedies under or by reason of this Agreement. There shall be no recourse against any party by reason of this Agreement or any transaction contemplated hereby not having the intended tax consequences. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

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IN WITNESS WHEREOF, TRW and IRC have caused their respective corporate seals to be hereunto affixed and these presents to be signed by their respective officers thereunto duly authorized as of the day and year first above written.

TRW Inc. [CORPORATE SEAL]

[CORPORATE SEAL]

Attest:

P. W. SCHUETTE
Secretary

By J. S. WEBB
Executive Vice President

and R. J. LEAVER
Assistant Secretary

IRC, INC. [CORPORATE SEAL]

[CORPORATE SEAL]

By WILSON H. OELKERS
President

Attest:

BARRY R. SPIEGEL
Secretary

and BARRY R. SPIEGEL
Secretary

Exhibit A

to

Agreement of Merger

AMENDED ARTICLES OF INCORPORATION

OF

TRW INC.

First: The name of the Corporation shall be TRW Inc.

Second: The principal office of the Corporation shall be located in Euclid, Cuyahoga County, Ohio.

Third: The Corporation is formed for the following purposes, and any of them:

1. To manufacture, in whole or in part, weld, repair, treat, finish, service, buy, purchase or otherwise acquire, invest in, own, mortgage, pledge, exchange, sell, assign and transfer or otherwise dispose of, trade, deal in and deal with, import and export, in every manner, goods, wares, merchandise, personal property, products, materials, and articles of every kind, class and description, for any commercial, industrial, military, scientific or other purpose.

2. To carry on and perform research, development, evaluation, investigation, planning, engineering, design, testing, technical studies, invention and consulting or other service, for any commercial, industrial, military, scientific or other purpose, and in any field or fields.

3. To maintain and operate manufacturing, testing and related equipment, chemical, physical and other laboratories, training schools and such other facilities as may be appropriate for the foregoing purposes and to carry on such activities.

4. To buy, purchase, or otherwise acquire, invest in, own, mortgage, pledge, exchange, sell, assign and transfer, or otherwise dispose of, trade, deal in and deal with real property of any description and any shares of capital stock or voting trust certificates in respect of shares of capital stock, scrip, warrants, bonds, debentures, notes, trust receipts and other securities, obligations, choses in action and evidences of indebtedness or interest, issued or created by any corporation, joint stock company, syndicate, association, firm, trust, government or person, public or private, and as owner thereof to possess and exercise all the rights, powers and privileges of ownership, and to do any and all acts and things necessary and advisable for the preservation, protection, improvement and enhancement in value thereof.

5. To enter into, make and perform contracts of every kind and description, including contracts of joint venture, with any firm, association, corporation, government or person, public or private.

6. To do all things necessary or incidental to any of the foregoing, including owning, holding and dealing, in every manner, in all real and personal property.

7. In general, to carry on any other lawful activity or business whatsoever in connection with the foregoing and the business of the Corporation, or which is calculated, directly or indirectly, to promote the interests of the Corporation or to enhance the value of its properties.

8. The foregoing shall be construed as purposes, objectives and powers, and nothing herein shall be deemed to limit or exclude in any manner any power, right or privilege now or hereafter given to the Corporation by law or any authority which it now or hereafter is permitted to exercise under the statutes of Ohio; provided, that nothing contained in this Article Third shall be construed as authorizing the Corporation to carry on the business of a public utility or railroad as defined by the public utility laws of Ohio or to engage in the practice of professional engineering or surveying.

The Corporation reserves the right at any time and from time to time to change substantially its purposes in any manner now or hereafter permitted by statute and an amendment to these Amended Articles of Incorporation changing substantially the purposes of the Corporation may be adopted. Any change of the purposes of the Corporation authorized or approved by the holders of shares entitled to exercise the proportion of the voting power of the Corporation now or hereafter required by statute for such authorization or approval shall be binding and conclusive upon every shareholder of the Corporation as fully as if such shareholder had voted therefor, and no shareholder, notwithstanding that he may have voted against such change of purposes, shall be entitled to payment by the Corporation of the fair cash value of his shares.

Fourth: The number of shares which the Corporation is authorized to have outstanding is 23,811,908, which shall be classified as follows:

61,908 shares of 4% Cumulative Preferred Stock of the par value of $100 each (hereinafter called "Cumulative Preferred Stock");

750,000 shares of Serial Preference Stock without par value (hereinafter called "Serial Preference Stock"); and

3,000,000 shares of Serial Preference Stock II without par value (hereinafter called "Serial Preference Stock II"); and

20,000,000 shares of Common Stock of the par value of $2.50 each (hereinafter called "Common Stock").

The shares of such classes of stock shall have the following express terms:

DIVISION A

Express Terms of Cumulative Preferred Stock

SECTION 1. The holders of record of shares of Cumulative Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors of the Corporation, dividends at the rate of but not exceeding four per cent (4%) per annum, payable quarterly on the fifteenth days of March, June, September and December in each year in preference to and in priority over dividends upon the Common Stock and all other shares junior to the Cumulative Preferred Stock. Such dividends shall be cumulative from the first day of the quarterly period beginning March 15, June 15, September 15 and December 15 in which such shares were originally issued; provided, however, that the quarterly dividend payable June 15, 1945, shall accrue and be cumulative only from May 15, 1945.

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SECTION 2. All or any part of the shares of Cumulative Preferred Stock are subject to call for redemption and may be redeemed by the Corporation at any time at the option of the Corporation upon notice mailed not less than thirty (30) nor more than sixty (60) days prior to the date fixed for such redemption, addressed to the holders of record of the shares of Cumulative Preferred Stock to be redeemed as shown by the books of the Corporation, and published in a newspaper of general circulation in the City of Cleveland, Ohio, and one of general circulation in the City of New York, New York, not less than thirty (30) nor more than sixty (60) days prior to such redemption date, at the redemption price of $110 per share if the date fixed for redemption is on or before June 15, 1948; $109 per share if such date is after June 15, 1948, but on or before June 15, 1951; $108 per share if such date is after June 15, 1951, but on or before June 15, 1955, and $107 per share if such date is after June 15, 1955, plus in each case, accrued unpaid dividends to the date fixed for redemption.

At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Cumulative Preferred Stock to be redeemed with any bank or trust company in the City of Cleveland, Ohio, or the City of New York, New York, having capital and surplus of more than Five Million Dollars ($5,000,000), named in such notice, directed to be paid to the respective holders of the shares of Cumulative Preferred Stock so to be redeemed, in amounts equal to the redemption price of all shares of Cumulative Preferred Stock so to be redeemed, on endorsement and surrender of the stock certificate or certificates held by such holders, and upon the making of such deposit such holders shall cease to be shareholders with respect to such shares, and after such notice shall have been given and such deposit shall have been made such holders shall have no interest in or claim against the Corporation with respect to such shares and shall be entitled only to receive such moneys from such bank or trust company without interest. In case less than all of the outstanding shares of Cumulative Preferred Stock are to be redeemed, the Corporation shall select by lot the shares so to be redeemed in such manner as shall be prescribed by its Board of Directors.

If the holders of shares of Cumulative Preferred Stock which shall have been called for redemption shall not, within ten years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof and to such holders.

All shares of Cumulative Preferred Stock redeemed by call shall be cancelled and not again issued.

SECTION 3. Upon any dissolution, liquidation or winding up of the Corporation the holders of shares of Cumulative Preferred Stock shall be entitled to receive, or to have deposited in trust for them as provided in Section 2 next preceding, out of the assets of the Corporation, whether from capital, surplus or from earnings, before any distribution of any assets shall be made to the holders of Common Stock or other shares junior to the Cumulative Preferred Stock, an amount which, in the case of involuntary dissolution, liquidation or winding up shall be equal to $100 per share plus accrued unpaid dividends to the date fixed for distribution, and in the case of voluntary dissolution, liquidation or winding up shall be equal to the respective redemption price specified in such Section 2 in effect at the date upon which the first distribution is made upon Cumulative Preferred Stock in connection with such voluntary dissolution, liquidation or winding up, as the case may be, including accrued unpaid dividends upon such shares computed to the date of distribution in lieu of the date fixed for redemption. The holders of Cumulative Preferred Stock shall be entitled to no further participation in any distribution.

SECTION 4. As long as any shares of Cumulative Preferred Stock shall be outstanding the Corporation shall on or before the first day of July in each year, beginning with July 1, 1946, use in the purchase or redemption of shares of Cumulative Preferred Stock an amount equal to (i) ten per cent (10%) of the consolidated net earnings of the Corporation and its subsidiaries for the preceding calendar year after deducting from such net earnings dividends actually paid upon the Cumulative Preferred Stock during such year, less if the Corporation so elects (ii) all amounts which the Corporation theretofore shall have expended in the purchase or redemption of Cumulative Preferred Stock in excess of the amounts required by this Section to be theretofore so expended, to

the extent that such excess has not theretofore been deducted in computing the amounts so required to be expended during any previous period; provided that in no year shall the Corporation be required to so use more than $120,000, less the deduction provided in (ii) above. However, the Corporation may use in such redemption in any year for the purposes of this Section up to the full amount provided in clause (i) or $120,000, as the Corporation may elect.

Cumulative Preferred Stock redeemed pursuant to this Section shall be redeemed in the manner provided in Section 2 next preceding, but, notwithstanding the provisions of such Section 2, such shares shall be redeemed for the purposes of this Section at the redemption price of $107 per share plus accrued unpaid dividends to the date fixed for redemption. Nothing in this Section shall be deemed to limit the number of shares of Cumulative Preferred Stock which the Corporation may redeem pursuant to Section 2 next preceding or may purchase at any time or times.

On or before May 15th in each calendar year, beginning in 1946, the Corporation shall cause a firm of independent certified public accountants of recognized national standing, selected by the Board of Directors of the Corporation, to determine in writing the amount of the "consolidated net earnings" as herein defined of the Corporation and its subsidiaries for the preceding calendar year, and the amount, if any, required to be expended by the Corporation prior to the succeeding July 1st pursuant to the provisions of this Section after giving effect to the election of the Corporation, if any, to deduct amounts referred to in clause (ii) of the first paragraph of this Section; and on or before such latter date the Corporation shall file a copy of such written determination with each Transfer Agent of the Cumulative Preferred Stock. Each determination so made shall be binding and conclusive upon all shareholders of the Corporation. In each instance when written determination filed by the Corporation as hereinabove required by this paragraph shall disclose that the Corporation is required to expend funds pursuant to the provisions of this Section the Corporation shall, on or before August 1st in the same calendar year, file with each Transfer Agent of the Cumulative Preferred Stock a written statement signed by the Treasurer or an Assistant Treasurer of the Corporation disclosing the expenditures made by the Corporation in performance of the requirement.

All shares of Cumulative Preferred Stock purchased or redeemed as provided in this Section, including shares purchased or redeemed by the expenditure of amounts which were deducted in computing the amount the Corporation is required to expend in any year pursuant to this Section, shall be cancelled and not again issued.

SECTION 5. During any period or periods when the Corporation is in default in the payment of any quarterly dividend upon the Cumulative Preferred Stock the Corporation shall not purchase, otherwise than by redemption, any outstanding shares of Cumulative Preferred Stock except pursuant to a general offer or call for tenders made in writing to all holders of record of all shares of Cumulative Preferred Stock outstanding at the time of such offer or call; provided, however, that during any period when pursuant to the provisions of Section 4 next preceding the Corporation is required to use an amount which is not more than $25,000 in the purchase or redemption of Cumulative Preferred Stock, the Corporation may make purchases of Cumulative Preferred Stock to comply with such requirement without compliance with the foregoing provision of this Section.

SECTION 6. The holders of shares of Cumulative Preferred Stock shall not be entitled to vote or participate in meetings of shareholders of the Corporation except as hereinafter provided. If, and so often as, the Corporation shall be in default in the payment of six quarterly dividends at the rate of four per cent (4%) per annum on the shares of Cumulative Preferred Stock, whether or not earned or declared, the holders of shares of Cumulative Preferred Stock shall, as a class, be entitled to elect one-third of the members of the Board of Directors of the Corporation, but if the number of Directors to be elected when divided by three shall result in a fraction, such fraction shall be disregarded if less than one-half and shall be increased to one if more than one-half; provided, however, that the holders of shares of Cumulative Preferred Stock shall not have or exercise such voting right except at meetings of the shareholders for the election of Directors at which the holders of not less than thirty-five per cent (35%) of the outstanding shares of Cumulative Preferred Stock are present in person or by proxy; and provided further that the voting rights provided for herein when the same shall become vested shall remain so vested until all accrued unpaid dividends on the Cumulative Preferred Stock shall have been paid or declared and set apart for payment, whereupon the holders of

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the Cumulative Preferred Stock shall be divested of their voting rights in respect of subsequent elections of Directors, subject to the revesting of such rights in the event hereinabove specified in this Section.

The right to vote vested in the holders of record of shares of Cumulative Preferred Stock in the event of default as herein provided shall not deprive such holders of the exercise of any right that they may have at law, in equity or by statute to enforce any provision with respect to the shares of Cumulative Preferred Stock.

If, in the event of default entitling the holders of the Cumulative Preferred Stock to elect one-third of the Directors, as above provided, the annual meeting of shareholders of the Corporation shall for any reason not be held and Directors elected at the time specified therefor in the Code of Regulations of the Corporation, then a special meeting of the shareholders for the purpose of electing Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten per cent (10%) of the shares of Cumulative Preferred Stock at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders. At meetings so called, the only quorum requirement shall be the presence or representation thereat of the holders of thirty-five per cent (35%) of the shares of Cumulative Preferred Stock outstanding. At any such meeting the election of Directors to be elected by the holders of Common Stock or the holders of Cumulative Preferred Stock, as the case may be, shall be valid notwithstanding that a quorum of the outstanding shares of the other class may not have been present or represented thereat. Unless at such meeting the Directors elected by a class are elected to replace or renew the terms of Directors previously elected by that class, the Directors elected by that class shall constitute the Board of Directors of the Corporation until the other class shall act.

SECTION 7. Anything herein to the contrary notwithstanding, so long as any shares of Cumulative Preferred Stock shall be outstanding, the Corporation shall not, unless with the affirmative vote or written consent of the holders of record of at least a majority of the number of shares of Cumulative Preferred Stock at the time outstanding (but so far as the holders of shares of Cumulative Preferred Stock are concerned, the Corporation may, with such affirmative vote or written consent):

(a) Issue, guarantee or assume, or permit any subsidiary to issue, guarantee or assume, any funded debt other than funded debt issued by a subsidiary to and thereafter owned by the Corporation or one or more other subsidiaries; provided, however, that without such vote or consent:

(i) The Corporation or any foreign subsidiary may issue, guarantee or assume any funded debt if, as of a date not more than three months prior to such issuance, guarantee or assumption and after giving effect thereto and to the application of the proceeds thereof, the excess of consolidated net tangible assets of the Corporation and its subsidiaries, over consolidated current liabilities of the Corporation and its subsidiaries, would be not less than twice the aggregate of the outstanding consolidated debt (other than current liabilities) issued, guaranteed or assumed by the Corporation and its subsidiaries plus the aggregate involuntary liquidation price of the then outstanding Cumulative Preferred Stock, shares of the Corporation ranking on a parity with or having priority over the Cumulative Preferred Stock as to dividends or liquidation rights, and shares of each subsidiary not owned by the Corporation or another subsidiary having priority over the Common shares of such subsidiary as to dividends or liquidation rights; and

(ii) The Corporation or any subsidiary may issue, guarantee or assume any funded debt as a part of the purchase price paid by the Corporation or subsidiary, as the case may be, for property acquired or if the proceeds of such excepted debt are used in such acquisition or if such debt is or the proceeds thereof are used solely in the retirement of any such debt, but the amount of debt excepted by the provisions of this sub-paragraph (ii) shall not exceed 75% of the purchase price paid by the Corporation or subsidiary, as the case may be, for such property; and

(b) Create or issue any shares of stock having a parity with the shares of Cumulative Preferred Stock as to dividends or liquidation rights, or increase the authorized number of shares of Cumulative Preferred Stock beyond 60,000; or

(c) Sell all or substantially all of its property and assets to or become a party to any statutory consolidation with, or statutory merger into, any other corporation, on any basis other than one which provides for the payment to the holders of Cumulative Preferred Stock of an amount equal to the respective redemption price specified in Section 2 of this subdivision in effect at the date of transfer of the Corporation's assets pursuant to such sale or the effective date of such consolidation or merger, including accrued unpaid dividends to the date of such payment to holders of Cumulative Preferred Stock in lieu of the date of redemption; provided, however, that nothing herein contained shall require such vote or consent in respect of the statutory consolidation of the Corporation with or the statutory merger of the Corporation into Thompson Aircraft Products Co. or a subsidiary of the Corporation or the statutory merger of Thompson Aircraft Products Co. or a subsidiary of the Corporation into the Corporation if

(i) the Corporation, or a corporation resulting from or surviving such consolidation or merger (hereinafter sometimes called the "New Corporation") will not have authorized or outstanding after such consolidation or merger shares of any class which shall rank on a parity with or have priority over the shares of Cumulative Preferred Stock as to dividends or liquidation rights, and

(ii) each holder of shares of Cumulative Preferred Stock shall be entitled to retain or receive immediately after such consolidation or merger the same number of shares of Cumulative Preferred Stock or new stock of the Corporation or the New Corporation as such holder held immediately prior to such merger or consolidation, which Cumulative Preferred Stock or new stock shall have the same express terms and provisions as the Cumulative Preferred Stock had immediately prior to such consolidation or merger, and

(iii) upon the consummation of such consolidation or merger the New Corporation shall not have outstanding any funded debt in excess of the amount which, conformably to the provisions of paragraph (a) of this Section, the New Corporation, if at the time it had no funded debt outstanding, would be entitled to issue immediately after the consolidation or merger; or

(d) Permit any subsidiary, other than a foreign subsidiary, to issue any shares of stock having priority over the Common shares of such subsidiary as to dividends or liquidation rights, or to issue, guarantee or assume any funded debt other than shares and debt issued to and thereafter owned by the Corporation or one or more other subsidiaries, other than a foreign subsidiary, and other than debt referred to under sub-paragraph (ii) of paragraph (a) above.

Anything herein to the contrary notwithstanding, so long as any shares of Cumulative Preferred Stock shall be outstanding the Corporation shall not, unless with the affirmative vote or written consent of the holders of record of at least two-thirds of the number of shares of Cumulative Preferred Stock at the time outstanding (but so far as the holders of the Cumulative Preferred Stock are concerned, the Corporation may with such consent or vote):

(e) Amend, alter or repeal any of the express terms and provisions of the Cumulative Preferred Stock, in any material respect prejudicial to the holders thereof; or

(f) Create any class of shares having priority over the shares of Cumulative Preferred Stock as to dividends or liquidation rights.

SECTION 8. The Corporation shall not declare or pay any dividend (other than dividends payable in Common Stock or other shares junior to the Cumulative Preferred Stock) on or make or permit any subsidiary to make any purchase of Common Stock or other shares of the Corporation junior to the Cumulative Preferred Stock, or distribute any of its assets to the holders thereof as such holders so long as:

(a) The Corporation shall be in default in the payment of all or any part of any quarterly dividend at the rate of four per cent (4%) per annum on the shares of Cumulative Preferred Stock for any previous quarterly dividend period, whether or not earned or declared, or shall have failed to pay or declare and appropriate surplus for the payment of the dividend upon the shares of Cumulative Preferred Stock for the current quarterly dividend period; or

(b) The Corporation shall be in default in expending amounts in the retirement of shares of Cumulative Preferred Stock as required by Section 4 next preceding; or

(c) The aggregate amount of such payments, purchases and distributions (other than dividends payable in Common Stock and other shares junior to the Cumulative Preferred Stock) theretofore made after December 31, 1944, together with the payment, purchase or distribution to be made, would exceed the aggregate of (i) the consolidated net earnings, less deficits, of the Corporation and its subsidiaries after December 31, 1944, plus (ii) the net consideration received by the Corporation after such date from the sale or other disposition of Common Stock and other shares junior to the Cumulative Preferred Stock or rights or warrants for any such stock or shares, plus (iii) the sum of $1,000,000; or

(d) The consolidated net current assets of the Corporation and its subsidiaries are, or after such payment, purchase or distribution would be, less than $125 per share of Cumulative Preferred Stock then outstanding not held in the treasury of the Corporation.

SECTION 9. For all purposes of this subdivision the following terms shall have the following meanings:

(a) The term "accrued unpaid dividends" with reference to the Cumulative Preferred Stock shall mean the amount which shall be equal to four per cent (4%) per annum upon the shares in question from the date when dividends became cumulative thereupon to date, less the amount of all dividends actually paid upon such shares.

(b) The term "subsidiary" shall mean every corporation more than 50% of whose stock or shares having voting power for the election of Directors are at the time directly, or indirectly through one or more intermediaries, owned by the Corporation or by one or more subsidiaries thereof, or by the Corporation and one or more subsidiaries, but shall not include Thompson Aircraft Products Co., an Ohio corporation presently existing, nor any subsidiary thereof. At any time the Corporation may elect, by writing delivered to each Transfer Agent of the Cumulative Preferred Stock, to include as subsidiaries, for the purposes of this subdivision, Thompson Aircraft Products Co. and its subsidiaries, if any, if such corporation and the subsidiaries to be included otherwise would fall within the foregoing definition. Such election shall be effective as at the first day of the Corporation's quarter-annual fiscal period next succeeding the date of delivery thereof to the Transfer Agent, and the exclusion of Thompson Aircraft Products Co. and its subsidiaries now provided in the foregoing definition shall become and remain inoperative on and after such effective date. The net earnings or earned deficit, as the case may be, of Thompson Aircraft Products Co. and its subsidiaries arising after December 31, 1944, shall as of the effective date above mentioned be included as earnings or losses, as the case may be, of the Corporation and its subsidiaries for the purposes of Section 8 (c) next preceding.

(c) The term "net earnings" shall mean gross earnings (including non-operating revenue) less all current and operating expenses, including wages and compensation, fixed charges, all interest, sales and administrative expenses, insurance, the amount of amortization of discount and expense on funded debt, all state, federal and local taxes, including income taxes of all kinds, and reasonable reserves for credit losses and other losses of every nature, depreciation and amortization of facilities, and any other items which under standard accounting practice should be charged against earnings.

(d) The term "net tangible assets" shall mean all assets at their net book values (after deducting related depreciation and other valuation reserves) including, without limitation, indebtedness and securities owned (including claim for postwar refund of excess profits taxes), and prepaid expenses, but excluding treasury stock, rights in patents, trade marks, good will, unamortized debt discount and expense and other items not herein mentioned treated as intangibles in accordance with standard accounting practice.

(e) The term "net current assets" shall mean the excess of current assets over current liabilities.

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(f) The term "current assets" shall mean and include:

(i) Cash on hand or in banks;

(ii) Marketable securities (other than securities issued by the Corporation or its subsidiaries), not at the time pledged, taken at not more than their market value;

(iii) Good and collectible notes, trade acceptances, accounts and bills receivable if due and payable within one year from the date as of which current assets are being ascertained;

(iv) Obligations of the United States of America or any state, county or municipality therein, taken at not more than their market value, other than such obligations as are deducted from current liabilities in accordance with standard accounting practice;

(v) Goods manufactured, on hand and in process of manufacture, and materials and supplies on hand, taken at cost or market value, whichever is lower; and

(vi) Such other assets as should be classified as current assets in accordance with standard accounting practice.

(g) The term "current liabilities" shall mean and include V Loan Debt and all other indebtedness termed current liabilities in accordance with standard accounting practice, including taxes, wages, salaries, interest, rents, and royalties accrued as estimated, but shall not include any indebtedness other than V Loan Debt which shall not mature within one year from the date as of which current liabilities are determined. In determining the amount of liability for any tax there may be deducted therefrom all obligations which may be directly applied in payment of such tax.

(h) In computing "consolidated net earnings," "consolidated net current assets," and "consolidated net tangible assets" principles of consolidation conforming to standard accounting practice shall be applied.

The Corporation, by action of its Board of Directors, may designate a firm of independent certified public accountants of recognized national standing, selected by the Board of Directors of the Corporation, to determine the consolidated net tangible assets, consolidated net current assets or the consolidated net earnings, as herein defined, of the Corporation and its subsidiaries as of any date, and any determination so made shall be binding upon and conclusive as to all shareholders of the Corporation.

(i) The term "V Loan Debt" shall mean notes or other debt issued or incurred by the Corporation pursuant to the provisions of a Credit Agreement dated September 28, 1943, between the Corporation and various banks providing for loans to the Corporation guaranteed by the War Department of the United States and all notes or other debt issued or incurred by the Corporation or by any subsidiary pursuant to the provisions of any credit or loan agreement or arrangement the principal purpose of which is to provide funds in connection with war production or the carrying of receivables, inventories or claims with respect to terminated contracts relating to war production.

(j) The term "funded debt" shall mean any and all bonds, debentures, notes or similar debt which shall be payable after twelve months from the date as of which determination of funded debt is made. If the term of any such debt shall be subject to an option in the Corporation or any subsidiary, as the case may be, to extend (by way of renewal, refunding or otherwise) its maturity on any condition, the maturity thereof for the purpose of this subdivision shall be deemed to be the last date to which the maturity may be so extended. Without intending hereby otherwise to characterize debt which constitutes funded debt, such term shall in no case include any V Loan Debt or debt arising out of any lease or any contract for funding taxes or for making refunds to the Federal or any State Government, or any contract for the purchase or sale of materials, commodities or supplies in the ordinary course of business.

(k) No debt shall for any purpose of this subdivision be deemed to be a part of funded debt or other debt if moneys sufficient to pay or discharge such debt in

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full (either on the date of maturity expressed therein or on such earlier date as such debt may be duly called for redemption pursuant to the provisions of any instrument or agreement under which the same was issued) shall have been deposited with the proper depositary or trustee in trust for the payment thereof.

(l) The term "foreign subsidiary" shall mean any subsidiary which conducts substantially all of its business and has substantially all of its assets outside the United States of America.

(m) A class of stock shall be deemed to be "junior to the Cumulative Preferred Stock" if the Cumulative Preferred Stock has priority over such class with respect to dividend rights or liquidation rights.

SECTION 10. Holders of shares of Preferred Stock shall have no preemptive right to purchase or have offered to them for purchase any shares or other securities of the Corporation.

SECTION 11. Wherever reference is made in this subdivision to the doing of any act at the office of, or the filing of any statement with, the Transfer Agent or Agents for the shares of Cumulative Preferred Stock, such act may be done or the statement filed at the principal office of the Corporation in the event it shall have no Transfer Agent for such shares. All statements filed at such office or with any Transfer Agent for the shares of Cumulative Preferred Stock pursuant to the provisions hereof shall at all reasonable times be open to the inspection of record holders of shares of Cumulative Preferred Stock.

DIVISION B

Express Terms of Serial Preference Stock

Section 1. The Serial Preference Stock shall be deemed to be junior to the Cumulative Preferred Stock within the meaning of subparagraph (m) of Section 9 of Division A of this Article Fourth. The Serial Preference Stock may be issued from time to time in one or more series. All shares of Serial Preference Stock shall be of equal rank and shall be identical, except in respect of the particulars that may be fixed and determined by the Board of Directors as hereinafter provided, and each share of each series shall be identical in all respects with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Serial Preference Stock shall also be of equal rank and shall be identical with shares of Serial Preference Stock II except in respect of (1) the particulars that may be fixed and determined by the Board of Directors as hereinafter provided, (2) the amount which the holders of Serial Preference Stock of any series are entitled to receive in case of involuntary liquidation, dissolution or winding up of the affairs of the Corporation, as fixed and determined by Section 5(a)(ii) of this Division, and (3) the voting rights and provisions for consents relating to Serial Preference Stock, as fixed and determined by Section 6 of this Division. Subject to the provisions of Sections 2 to 8, both inclusive, of this Division, which provisions shall apply to all Serial Preference Stock, the Board of Directors hereby is empowered to cause the same to be issued in one or more series and with respect to each such series prior to the issuance thereof to fix and determine:

(a) The designation of the series, which may be by distinguishing number, letter or title.

(b) The number of shares of the series, which number may be increased (except where otherwise provided by the Board of Directors in creating the series) or decreased (but not below the number of shares thereof then outstanding) by like action of the Board of Directors.

(c) The annual dividend rate of the series.

(d) The dates at which dividends, if declared, shall be payable.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(g) The amounts payable on shares of the series in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation.

(h) Whether the shares of the series shall be convertible into Common Stock, and, if so, the conversion price or prices and the adjustments thereof, if any, and all other terms and conditions upon which such conversion may be made.

(i) Restrictions (in addition to those set forth in Sections 6(b) and 6(c) of this Division) on the issuance of shares of the same series or of any other class or series.

The Board of Directors is authorized to adopt from time to time amendments to the Articles of Incorporation of the Corporation fixing and determining, with respect to each such series, the matters described in clauses (a) to (i), both inclusive, of this Section 1.

Section 2. The holders of the Serial Preference Stock of each series, subject to the prior preference as to dividends of the Cumulative Preferred Stock, in preference to the holders of Common Stock and of any other class of shares ranking junior to the Serial Preference Stock, shall be entitled to receive out of any funds legally available for Serial Preference Stock and Serial Preference Stock II and when and as declared by the Board of Directors dividends in cash at the rate for such series fixed in accordance with the provisions of Section 1 of this Division and no more, payable quarterly on the dates fixed for such series. Such dividends shall be cumulative, in the case of shares of each particular series, from and after the date of issuance thereof. No dividends may be paid upon or declared or set apart for any of the Serial Preference Stock for any quarterly dividend period unless at the same time (i) a like proportionate dividend for the same quarterly dividend period, ratably in proportion to the respective annual dividend rates fixed therefor, shall be paid upon or declared or set apart for all Serial Preference Stock of all series then issued and outstanding and entitled to receive such dividend, and (ii) the dividend payable during the same quarterly dividend period upon all Serial Preference Stock II of all series then issued and outstanding at the rate and upon the date as fixed and determined by the Board of Directors as provided in Section 1 of Division C hereof shall be paid upon or declared or set apart for all such Serial Preference Stock II entitled to receive such dividend.

Section 3. In no event so long as any Serial Preference Stock shall be outstanding shall any dividends, except a dividend payable in Common Stock or other shares ranking junior to the Serial Preference Stock, be paid or declared or any distribution be made except as aforesaid on the Common Stock or any other shares ranking junior to the Serial Preference Stock, nor shall any Common Stock or any other shares ranking junior to the Serial Preference Stock be purchased, retired or otherwise acquired by the Corporation (except out of the proceeds of the sale of Common Stock or other shares ranking junior to the Serial Preference Stock received by the Corporation subsequent to January 1, 1964):

(a) Unless all accrued and unpaid dividends on Serial Preference Stock, including the full dividends for the current quarterly dividend period, shall have been declared and paid or a sum sufficient for payment thereof set apart; and

(b) Unless there shall be no arrearages with respect to the redemption of Serial Preference Stock of any series from any sinking fund provided for shares of such series in accordance with the provisions of Section 1 of this Division.

Section 4. (a) Subject to the express terms of each series, the Corporation may from time to time redeem all or any part of the Serial Preference Stock of any series at the time outstanding (i) at the option of the Board of Directors at the applicable redemption price for such series fixed in accordance with the provisions of Section 1 of this Division, or (ii) in fulfillment of the requirements of any sinking fund provided for shares of such series at the applicable sinking fund redemption price fixed in accordance with the provisions of Section 1 of this Division, together in each case with accrued dividends to the redemption date.

(b) Notice of every such redemption shall be mailed, postage prepaid, to the holders of record of the Serial Preference Stock to be redeemed at their respective addresses then

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appearing on the books of the Corporation, and shall be published at least once in a newspaper of general circulation in the City of New York, New York, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption. At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Serial Preference Stock to be redeemed with any bank or trust company in the City of Cleveland, Ohio, or the City of New York, New York, having capital and surplus of more than Five Million Dollars ($5,000,000), named in such notice, directed to be paid to the respective holders of the shares of Serial Preference Stock so to be redeemed, in amounts equal to the redemption price of all shares of Serial Preference Stock so to be redeemed, on surrender of the stock certificate or certificates held by such holders, and upon the making of such deposit such holders shall cease to be shareholders with respect to such shares, and after such notice shall have been given and such deposit shall have been made such holders shall have no interest in or claim against the Corporation with respect to such shares and shall be entitled only to receive such moneys from such bank or trust company without interest. In case less than all of the outstanding shares of Serial Preference Stock are to be redeemed, the Corporation shall select by lot the shares so to be redeemed in such manner as shall be prescribed by its Board of Directors.

If the holders of shares of Serial Preference Stock which shall have been called for redemption shall not, within six years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof and to such holders.

(c) Any shares of Serial Preference Stock which are redeemed by the Corporation pursuant to the provisions of this Section 4 and any shares of Serial Preference Stock which are purchased and delivered in satisfaction of any sinking fund requirements provided for shares of such series and any shares of Serial Preference Stock which are converted in accordance with the express terms thereof shall be cancelled and not reissued. Any shares of Serial Preference Stock otherwise acquired by the Corporation shall resume the status of authorized and unissued shares of Serial Preference Stock without serial designation.

Section 5. (a) Subject to the provisions of Section 3 of Division A hereof, the holders of the Serial Preference Stock of any series shall, in case of liquidation, dissolution or winding up of the affairs of the Corporation, be entitled to receive in full out of the assets of the Corporation, including its capital, before any amount shall be paid or distributed among the holders of the Common Stock or any other shares ranking junior to the Serial Preference Stock:

(i) in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation, the amounts fixed with respect to shares of such series in accordance with Section 1 of this Division; or

(ii) in the event of any involuntary liquidation, dissolution or winding up of the affairs of the Corporation, $100 per share;

plus in either event an amount equal to all dividends accrued and unpaid thereon to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up of the affairs of the Corporation. In case the net assets of the Corporation legally available therefor are insufficient to permit the payment upon all outstanding shares of Serial Preference Stock and Serial Preference Stock II of the full preferential amount to which they are respectively entitled, then such net assets shall be distributed ratably to all outstanding shares of Serial Preference Stock and Serial Preference Stock II in proportion to the full preferential amount to which each such share is entitled.

After payment to holders of Serial Preference Stock of the full preferential amounts as aforesaid, holders of Serial Preference Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(b) The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or the sale, lease or conveyance of all or substantially all the property of the Corporation, shall not be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section 5.

Section 6. (a) The holders of Serial Preference Stock shall be entitled at all times to two votes for each share, and, except as otherwise provided herein or required by law, the holders of the Serial Preference Stock, the holders of Serial Preference Stock II and the holders of Common Stock of the Corporation shall vote together as one class on all matters, subject, however, to the special voting rights conferred upon the holders of Cumulative Preferred Stock as hereinabove provided in Sections 6 and 7 of Division A hereof and upon the holders of Serial Preference Stock II as hereinafter provided in Section 6 of Division C hereof.

If, and so often as, the Corporation shall be in default in the payment of the equivalent of six (6) full quarterly dividends on all shares of all series of Serial Preference Stock at the time outstanding, whether or not earned or declared, the holders of Serial Preference Stock of all series, voting separately as a class and in addition to all other rights to vote for Directors, shall be entitled to elect as herein provided, three (3) members of the Board of Directors of the Corporation; provided, however, that the holders of shares of Serial Preference Stock shall not have or exercise such special class voting rights except at meetings of the shareholders for the election of Directors at which the holders of not less than thirty-five per cent (35%) of the outstanding shares of Serial Preference Stock of all series then outstanding are present in person or by proxy; and provided further that the special class voting rights provided for herein when the same shall have become vested shall remain so vested until all accrued unpaid dividends on the Serial Preference Stock of all series then outstanding shall have been paid, whereupon the holders of the Serial Preference Stock shall be divested of their special class voting rights in respect of subsequent elections of Directors, subject to the revesting of such special class voting rights in the event hereinabove specified in this Section.

In the event of default entitling the holders of Serial Preference Stock to elect three (3) Directors as above specified, a special meeting of the shareholders for the purpose of electing such Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten per cent (10%) of the shares of Serial Preference Stock of all series at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders; provided, however, that the Corporation shall not be required to call such special meeting if the annual meeting of shareholders shall be held within ninety (90) days after the date of receipt of the foregoing written request from the holders of Serial Preference Stock. At any meeting at which the holders of the Serial Preference Stock shall be entitled to elect Directors, the holders of thirty-five per cent (35%) of the then outstanding shares of Serial Preference Stock of all series, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the members of the Board of Directors which the holders of the Serial Preference Stock are entitled to elect as hereinabove provided.

(b) The consent of the holders of at least two-thirds of the number of shares of Serial Preference Stock at the time outstanding given in person or by proxy, either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock are concerned, such action may be effected with such consent):

(i) Any amendment, alteration or repeal of any of the provisions of these Articles of Incorporation, as the same may at any time be amended, or of the Regulations of the Corporation which affects adversely the voting powers, rights or preferences of the holders of Serial Preference Stock or reduces the time for any notice to which the holders of Serial Preference Stock may be entitled; provided, however, that, for the purpose of this clause (i) only, neither the amendment of these Articles of Incorporation, as the same may at any time be amended, so as to authorize or create, or to increase the authorized amount of, Serial Preference Stock or of any shares of any class ranking on a parity with or junior to the Serial Preference Stock, nor the amendment of the provisions of the Regulations so as to increase the number of Directors of the Corporation, shall be deemed to affect adversely the voting powers, rights or preferences of the holders of the Serial Preference Stock; and provided further, that if such amendment, alteration or repeal affects adversely the rights or preferences of one or more but not all series of Serial Preference Stock at the time

outstanding, only the consent of the holders of at least two-thirds of the number of the shares of the series so affected shall be required;

(ii) The authorization or creation of, or the increase in the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to the Serial Preference Stock; or

(iii) The purchase or redemption (for sinking fund purposes or otherwise) of less than all of the Serial Preference Stock then outstanding except in accordance with a stock purchase offer made to all holders of record of Serial Preference Stock, unless all dividends upon all Serial Preference Stock then outstanding for all previous quarterly dividend periods shall have been declared and paid or funds therefor set apart and all accrued sinking fund obligations applicable thereto shall have been complied with.

(c) The consent of the holders of at least a majority of the number of shares of Serial Preference Stock at the time outstanding, given in person or by proxy either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock are concerned, such action may be effected with such consent):

(i) The sale, lease or conveyance by the Corporation of all or substantially all of its property or business or the voluntary parting with the control thereof, or its consolidation with or merger into any other corporation unless the corporation resulting from such consolidation or merger will have after such consolidation or merger no class of shares either authorized or outstanding ranking prior to or on a parity with the Serial Preference Stock except the same number of shares ranking prior to or on a parity with the Serial Preference Stock and having the same rights and preferences as the shares of the Corporation authorized and outstanding immediately preceding such consolidation or merger, and each holder of Serial Preference Stock immediately preceding such consolidation or merger shall receive the same number of shares, with the same rights and preferences, of the resulting corporation; or

(ii) The authorization of any shares ranking on a parity with the Serial Preference Stock or an increase in the authorized number of shares of Serial Preference Stock.

Section 7. The holders of the Serial Preference Stock shall have no pre-emptive right to purchase or have offered to them for purchase any shares or other securities of the Corporation, whether now or hereafter authorized.

Section 8. For the purposes of this Division B:

Whenever reference is made to shares "ranking prior to the Serial Preference Stock", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends or as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are given preference over the rights of the holders of Serial Preference Stock; whenever reference is made to shares "on a parity with the Serial Preference Stock", such reference shall mean and include all shares of Serial Preference Stock II and all other shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation rank on an equality (except as to the amounts fixed therefor) with the rights of the holders of Serial Preference Stock; and whenever reference is made to shares "ranking junior to the Serial Preference Stock" such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are junior and subordinate to the rights of the holders of the Serial Preference Stock.

DIVISION B-1

Express Terms of $4.25 Cumulative Preference Stock, Series A, Convertible on or before June 15, 1979

There is hereby established a first series of Serial Preference Stock to which the following provisions shall be applicable:

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Section 1. *Designation of Series.* The series shall be designated "$4.25 Cumulative Preference Stock, Series A, Convertible on or before June 15, 1979" (herein called "Series A Preference Stock").

Section 2. *Number of shares.* The number of shares of Series A Preference Stock is 565,410, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Board of Directors.

Section 3. *Dividend Rate.* The dividend rate for Series A Preference Stock is $4.25 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on the Series A Preference Stock shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The Series A Preference Stock shall not be redeemable by the Corporation prior to June 15, 1969. Thereafter the redemption prices for the Series A Preference Stock shall be as follows:

If the Redemption Date is During 12 Month Period Beginning June 15:	Redemption Price	If the Redemption Date is During 12 Month Period Beginning June 15:	Redemption Price
1969	$105.00	1975	$102.00
1970	104.50	1976	101.50
1971	104.00	1977	101.00
1972	103.50	1978	100.50
1973	103.00	1979 and	
1974	102.50	thereafter	100.00

Section 6. *Liquidation Rights.* The amount payable on Series A Preference Stock in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to June 15, 1969 shall be $105.00 per share and thereafter shall be an amount equal to the redemption price for Series A Preference Stock in effect on the distribution date.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, the Series A Preference Stock may at the option of the holder, at any time on or before June 15, 1979, or in the case of shares called for redemption before that date, then until and including the day prior to the date fixed for redemption (but not thereafter if payment of the redemption price has been duly provided for by the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series A Preference Stock may exercise the conversion privilege in respect thereof by delivering to any transfer agent of the Series A Preference Stock (a) the share to be converted, (b) written notice that the holder elects to convert such share and stating the name or names (with address) in which the stock certificate for Common Stock is to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to in this Section as the "conversion date." On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of the Series A Preference Stock surrendered for conversion, or on his written order, a certificate for the number of full shares of Common Stock issuable upon the conversion of such Series A Preference Stock and a check or cash in respect of any fraction of a share as provided in subparagraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series A Preference Stock or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of Series A Preference Stock. If more than one share of Series A Preference Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed

on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any Series A Preference Stock, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $64.50 per share. The number of shares of Common Stock issuable upon conversion of one share of Series A Preference Stock shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) Except as provided in subparagraphs (C) and (E) below, whenever the Corporation shall issue or sell any Additional Shares as hereinafter defined for a consideration per share less than the conversion price then in effect, or without consideration, the conversion price in effect immediately prior to such issuance shall forthwith be adjusted to a price (computed to the nearest cent) determined by dividing

(1) an amount equal to the sum of (i) 3,553,321 shares, (ii) the number of shares of Common Stock delivered by the Corporation to Marlin-Rockwell Corporation and (iii) the number of shares of Common Stock delivered by the Corporation to Ross Gear and Tool Company, Inc. (the sum of such shares being herein called the "Base Shares"), multiplied by the initial conversion price of $64.50, plus the consideration, if any, received by the Corporation upon the issuance or sale of Additional Shares, by

(2) an amount equal to the Base Shares plus the number of Additional Shares which have been issued or sold;

provided, however, that, except as provided in subparagraph (B) (5) (iv) below, such adjustment shall be made only if the resulting quotient shall be less than the conversion price in effect immediately prior to the issue or sale of such Additional Shares.

(B) For the purposes of subparagraph (A) above, the following provisions shall be applicable:

(1) The term "Additional Shares" shall mean all shares of Common Stock issued by the Corporation in excess of the Base Shares, whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares now or hereafter held in the Corporation's treasury;

(ii) shares issued upon conversion of Series A Preference Stock;

(iii) shares issued under any stock option plan of the Corporation in effect on June 15, 1964 or pursuant to the exercise of any stock options heretofore granted by Marlin-Rockwell Corporation or Ross Gear and Tool Company, Inc.;

(iv) shares issued upon conversion of the 4⅞% Subordinated Debentures Due 1982 of the Corporation; and

(v) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares by the foregoing clauses (i) to (iv), inclusive or this clause (v) or on shares resulting from any subdivision or combination of shares so excluded.

(2) In the case of issuance or sale of Additional Shares for cash (including shares issued pursuant to the exercise of options or rights expiring in less than 60 days from the date of issue thereof), the consideration shall be deemed to be the cash proceeds received by the Corporation after deducting underwriting discounts or commissions and other expenses paid or incurred by the Corporation in connection therewith.

(3) In the case of issuance or sale of Additional Shares for a consideration other than cash, the amount of such consideration shall be deemed to be the fair value thereof as determined by the Board of Directors of the Corporation, for purposes of this subparagraph (B), irrespective of any accounting treatment.

(4) In the case of issuance of Additional Shares as a dividend, the shares shall be deemed to have been issued without consideration at the close of business on the dividend record date.

(5) If the Corporation issues options or rights (other than options or rights expiring in less than 60 days from the date of issue thereof) to subscribe for shares of Common Stock (excluding shares now or hereafter held in the Corporation's treasury and excluding shares issuable under any stock options referred to in clause (iii) of subparagraph (1) of this subparagraph (B)), or issues any securities (other than the Series A Preference Stock) convertible into or exchangeable for shares of Common Stock, and the consideration per share (determined as provided below) of the shares of Common Stock deliverable upon the exercise of such options or rights or upon such conversion or exchange is less than the conversion price in effect as to the Series A Preference Stock immediately prior to the issuance of such options, rights or convertible or exchangeable securities, or there shall be no consideration, then

(i) the aggregate number of shares of Common Stock deliverable under such options or rights (other than excluded options and rights) shall be considered to have been issued or sold at the time such options or rights were issued, and for a consideration equal to the minimum purchase price provided for in such options or rights, plus the consideration, if any (determined in the same manner provided in paragraphs (2) and (3) next preceding with respect to cash consideration and consideration other than cash) received by the Corporation for such options or rights;

(ii) the maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such securities shall be considered to have been issued at the time of issuance or sale of such securities and for a consideration equal to the consideration received by the Corporation for such securities, after deducting therefrom underwriting discounts or commissions and other expenses paid or incurred by the Corporation in connection with the issuance and sale of such securities, plus the additional consideration, if any (determined in the same manner provided in paragraphs (2) and (3) next preceding with respect to cash consideration and consideration other than cash) to be received by the Corporation upon the conversion or exchange thereof;

(iii) if at any time or from time to time prior to the expiration of such options or rights or of such conversion or exchange privileges, the number of shares of Common Stock deliverable upon exercise of such options, rights, or conversion or exchange privileges shall be increased beyond the number used in making the last computation under (i) or (ii) above with respect to such options, rights, or conversion or exchange privileges, or the consideration per share which was used in such computation shall be reduced, then the conversion price shall forthwith be readjusted to such conversion price as would have obtained had the adjustment made upon the issuance of such options, rights, or convertible or exchangeable securities been on the basis of such increased number of shares, or such reduced consideration, or both, as the case may be; and

(iv) on the expiration of such options or rights or the termination of such conversion or exchange privileges, with respect in either case to any shares involved in the computation previously made under (i), (ii), or (iii) above, the conversion price shall forthwith be readjusted to such conversion price as would have obtained had the adjustment made upon the issuance of such options, rights, or convertible or exchangeable securities been made on the basis of the issuance or sale of only the number of shares of Common Stock actually issued upon the exercise, plus the number of shares deliverable upon the subsequent exercise, of such options, rights, or conversion or exchange privileges.

(C) If the Corporation splits or combines the outstanding shares of Common Stock, the conversion price shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination.

(D) Whenever the conversion price is adjusted as herein provided, the Corporation shall forthwith place on file with each transfer agent of the Series A Preference Stock a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of Series A Preference Stock desiring an inspection thereof.

(E) No adjustment of the conversion price shall be made if the amount of such adjustment shall be less than 50¢, but in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with all adjustments so carried forward, shall amount to not less than 50¢. In case the Corporation shall at any time split or combine the outstanding shares of Common Stock, said amount of 50¢ (as theretofore decreased or increased) shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination, so as to appropriately reflect the same. For this purpose, a stock dividend of 25% or more shall be considered a split of the outstanding shares.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series A Preference Stock then outstanding shall have the right to convert such share into the same kind and amount of stock and other securities and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock of other securities or property into which the Series A Preference Stock shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of Series A Preference Stock for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of Series A Preference Stock shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the Series A Preference Stock converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series A Preference Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preference Stock.

(i) Upon conversion of Series A Preference Stock the stated capital of the Common Stock issued upon such conversion shall be the aggregate par value thereof, and the

stated capital of the Corporation shall be correspondingly increased or reduced to reflect the difference between the stated capital of the Series A Preference Stock so converted and the stated capital of the Common Stock issued upon conversion.

(j) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by twenty-five per cent (25%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period; or

(3) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in any one or more of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of Series A Preference Stock, at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

DIVISION B-2

Express Terms of $5.00 Cumulative Preference Stock, Series B, Convertible on or before June 15, 1982

There is hereby established a second series of Serial Preference Stock to which the following provisions shall be applicable:

Section 1. *Designation of Series.* The series shall be designated "$5.00 Cumulative Preference Stock, Series B, Convertible on or before June 15, 1982" (herein called "Series B Preference Stock").

Section 2. *Number of Shares.* The number of shares of Series B Preference Stock is 85,054, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Board of Directors.

Section 3. *Dividend Rate.* The dividend rate for Series B Preference Stock is $5.00 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on the Series B Preference Stock shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The Series B Preference Stock shall not be redeemable by the Corporation prior to June 15, 1973. Thereafter the redemption prices for the Series B Preference Stock shall be as follows:

If the Redemption Date is During 12-Month Period Beginning June 15:	Redemption Price	If the Redemption Date is During 12-Month Period Beginning June 15:	Redemption Price
1973	$105.00	1978	$102.50
1974	104.50	1979	102.00
1975	104.00	1980	101.50
1976	103.50	1981 and thereafter	100.00
1977	103.00		

Section 6. *Liquidation Rights.* The amount payable on Series B Preference Stock in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to June 15, 1973 shall be $105.00 per share and thereafter shall be an amount equal to the redemption price for Series B Preference Stock in effect on the distribution date.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, the Series B Preference Stock may at the option of the holder, at any time on or before June 15, 1982, or in the case of shares called for redemption before that date, then until and including the day prior to the date fixed for redemption (but not thereafter if payment of the redemption price has been duly provided for by

the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series B Preference Stock may exercise the conversion privilege in respect thereof by delivering to any transfer agent of the Series B Preference Stock (i) the share to be converted, (ii) written notice that the holder elects to convert such share and stating the name or names (with address) in which the stock certificate for Common Stock is to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of the Series B Preference Stock surrendered for conversion, or on his written order, a certificate for the number of full shares of Common Stock issuable upon the conversion of such Series B Preference Stock and a check or cash in respect of any fraction of a share as provided in paragraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series B Preference Stock or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of Series B Preference Stock. If more than one share of Series B Preference Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any Series B Preference Stock, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $62.85 per share. The number of shares of Common Stock issuable upon conversion of one share of Series B Preference Stock shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) If the Corporation splits or combines the outstanding shares of Common Stock, the conversion price shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination. For this purpose, any stock dividend shall be considered a split of the outstanding shares.

(B) Whenever the conversion price is adjusted as herein provided the Corporation shall forthwith place on file with each transfer agent of the Series B Preference Stock a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of Series B Preference Stock desiring an inspection thereof.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series B Preference Stock then outstanding shall have the right to convert such share into the same kind and amount of stock and other securities

and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock or other securities or property into which the Series B Preference Stock shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of Series B Preference Stock for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of Series B Preference Stock shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the Series B Preference Stock converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series B Preference Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series B Preference Stock.

(i) Upon conversion of Series B Preference Stock the stated capital of the Common Stock issued upon such conversion shall be the aggregate par value thereof, and the stated capital of the Corporation shall be correspondingly increased or reduced to reflect the difference between the stated capital of the Series B Preference Stock so converted and the stated capital of the Common Stock issued upon conversion.

(j) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by twenty-five per cent (25%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period; or

(3) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in any one or more of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of Series B Preference Stock, at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

DIVISION C

Express Terms of Serial Preference Stock II

Section 1. The Serial Preference Stock II shall be deemed to be junior to the Cumulative Preferred Stock within the meaning of subparagraph (m) of Section 9 of Division A of this Article Fourth. The Serial Preference Stock II may be issued from time to time in one or more series. All shares of Serial Preference Stock II shall be of equal rank and shall be identical, except in respect of the particulars that may be fixed and determined

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by the Board of Directors as hereinafter provided, and each share of each series shall be identical in all respects with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Serial Preference Stock II shall also be of equal rank and shall be identical with shares of Serial Preference Stock except in respect of (1) the particulars that may be fixed and determined by the Board of Directors as hereinafter provided, and (2) the voting rights and provisions for consents relating to Serial Preference Stock II, as fixed and determined by Section 6 of this Division. Subject to the provisions of Sections 2 to 8, both inclusive, of this Division, which provisions shall apply to all Serial Preference Stock II, the Board of Directors hereby is empowered to cause the same to be issued in one or more series and with respect to each such series prior to the issuance thereof to fix and determine:

(a) The designation of the series, which may be by distinguishing number, letter or title.

(b) The number of shares of the series, which number may be increased (except where otherwise provided by the Board of Directors in creating the series) or decreased (but not below the number of shares thereof then outstanding) by like action of the Board of Directors.

(c) The annual dividend rate of the series.

(d) The date at which dividends, if declared, shall be payable.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(g) The amounts payable on shares of the series in the event of any liquidation, dissolution or winding up of the affairs of the Corporation.

(h) Whether the shares of the series shall be convertible into Common Stock, and, if so, the conversion price or prices and the adjustments thereof, if any, and all other terms and conditions upon which such conversion may be made.

(i) Restrictions (in addition to those set forth in Section 6(b) and 6(c) of this Division) on the issuance of shares of the same series or of any other class or series.

The Board of Directors is authorized to adopt from time to time amendments to the Articles of Incorporation of the Corporation fixing and determining, with respect to each such series, the matters described in clauses (a) to (i), both inclusive, of this Section 1.

Section 2. The holders of the Serial Preference Stock II of each series, subject to the prior preference as to dividends of the Cumulative Preferred Stock, in preference to the holders of Common Stock and of any other class of shares ranking junior to the Serial Preference Stock II, shall be entitled to receive out of any funds legally available for Serial Preference Stock II and Serial Preference Stock and when and as declared by the Board of Directors dividends in cash at the rate for such series fixed in accordance with the provisions of Section 1 of this Division and no more, payable quarterly on the dates fixed for such series. Such dividends shall be cumulative, in the case of shares of each particular series, from and after the date of issuance thereof. No dividends may be paid upon or declared or set apart for any of the Serial Preference Stock II for any quarterly dividend period unless at the same time (i) a like proportionate dividend for the same quarterly dividend period, ratably in proportion to the respective annual dividend rates fixed therefor, shall be paid upon or declared or set apart for all Serial Preference Stock II of all series then issued and outstanding and entitled to receive such dividend and (ii) the dividend payable during the same quarterly dividend period upon all Serial Preference Stock of all series then issued and outstanding at the rate and upon the date as fixed and determined by the Board of Directors as provided in Section 1 of Division B hereof shall be paid upon or declared or set apart for all such Serial Preference Stock entitled to receive such dividend.

Section 3. In no event so long as any Serial Preference Stock II shall be outstanding shall any dividends, except a dividend payable in Common Stock or other shares ranking junior to the Serial Preference Stock II, be paid or declared or any distribution be made except as aforesaid on the Common Stock or any other shares ranking junior to the Serial Preference Stock II, nor shall any Common Stock or any other shares ranking junior to the Serial Preference Stock II be purchased, retired or otherwise acquired by the Corporation (except out of the proceeds of the sale of Common Stock or other shares ranking junior to the Serial Preference Stock II received by the Corporation subsequent to January 1, 1964):

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(a) Unless all accrued and unpaid dividends on Serial Preference Stock II, including the full dividends for the current quarterly dividend period, shall have been declared and paid or a sum sufficient for payment thereof set apart; and

(b) Unless there shall be no arrearages with respect to the redemption of Serial Preference Stock II of any series from any sinking fund provided for shares of such series in accordance with the provisions of Section 1 of this Division.

Section 4. (a) Subject to the express terms of each series, the Corporation may from time to time redeem all or any part of the Serial Preference Stock II of any series at the time outstanding (i) at the option of the Board of Directors at the applicable redemption price for such series fixed in accordance with the provisions of Section 1 of this Division, or (ii) in fulfillment of the requirements of any sinking fund provided for shares of such series at the applicable sinking fund redemption price fixed in accordance with the provisions of Section 1 of this Division, together in each case with accrued dividends to the redemption date.

(b) Notice of every such redemption shall be mailed, postage prepaid, to the holders of record of the Serial Preference Stock II to be redeemed at their respective addresses then appearing on the books of the Corporation, and shall be published at least once in a newspaper of general circulation in the City of New York, New York, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption. At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Serial Preference Stock II to be redeemed with any bank or trust company in the City of Cleveland, Ohio, or the City of New York, New York, having capital and surplus of more than Five Million Dollars ($5,000,000), named in such notice, directed to be paid to the respective holders of the shares of Serial Preference Stock II so to be redeemed, in amounts equal to the redemption price of all shares of Serial Preference Stock II so to be redeemed, on surrender of the stock certificate or certificates held by such holders, and upon the making of such deposit such holders shall cease to be shareholders with respect to such shares, and after such notice shall have been given and such deposit shall have been made such holders shall have no interest in or claim against the Corporation with respect to such shares and shall be entitled only to receive such moneys from such bank or trust company without interest. In case less than all of the outstanding shares of Serial Preference Stock II are to be redeemed, the Corporation shall select by lot the shares so to be redeemed in such manner as shall be prescribed by its Board of Directors.

If the holders of shares of Serial Preference Stock II which shall have been called for redemption shall not, within six years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof and to such holders.

(c) Any shares of Serial Preference Stock II which are redeemed by the Corporation pursuant to the provisions of this Section 4 and any shares of Serial Preference Stock II which are purchased and delivered in satisfaction of any sinking fund requirements provided for shares of such series and any shares of Serial Preference Stock II which are converted in accordance with the express terms thereof shall be cancelled and not reissued. Any shares of Serial Preference Stock II otherwise acquired by the Corporation shall resume the status of authorized and unissued shares of Serial Preference Stock II without serial designation.

Section 5. (a) Subject to the provisions of Section 3 of Division A hereof, the holders of the Serial Preference Stock II of any series shall, in case of liquidation, dissolution or winding up of the affairs of the Corporation, be entitled to receive in full out of the assets of the Corporation, including its capital, before any amount shall be paid or distributed among the holders of the Common Stock or any other shares ranking junior to the Serial Preference Stock II, the amounts fixed with respect to shares of such series in accordance with Section 1 of this Division, plus an amount equal to all dividends accrued and unpaid thereon to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up of the affairs of the Corporation. In case the net assets of the Corporation legally available therefor are insufficient to permit the payment upon all outstanding shares of Serial Preference Stock and Serial Preference Stock II of the full preferential amount to which they are respectively entitled, then such net assets shall be distributed ratably to all outstanding shares of Serial Preference Stock and Serial Preference Stock II in proportion to the full preferential amount to which each such share is entitled.

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After payment to holders of Serial Preference Stock II of the full preferential amounts as aforesaid, holders of Serial Preference Stock II as such shall have no right or claim to any of the remaining assets of the Corporation.

(b) The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or the sale, lease or conveyance of all or substantially all the property of the Corporation, shall not be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section 5.

Section 6. (a) The holders of Serial Preference Stock II shall be entitled at all times to one vote for each share, and, except as otherwise provided herein or required by law, the holders of the Serial Preference Stock II, the holders of Serial Preference Stock and the holders of Common Stock shall vote together as one class on all matters, subject, however, to the special voting rights conferred upon the holders of Cumulative Preferred Stock as hereinabove provided in Sections 6 and 7 of Division A hereof and upon the holders of Serial Preference Stock as hereinabove provided in Section 6 of Division B hereof.

If, and so often as, the Corporation shall be in default in the payment of the equivalent of six (6) full quarterly dividends on all shares of all series of Serial Preference Stock II at the time outstanding, whether or not earned or declared, the holders of Serial Preference Stock II of all series, voting separately as a class and in addition to all other rights to vote for Directors, shall be entitled to elect as herein provided, three (3) members of the Board of Directors of the Corporation; provided, however, that the holders of shares of Serial Preference Stock II shall not have or exercise such special class voting rights except at meetings of the shareholders for the election of Directors at which the holders of not less than thirty-five per cent (35%) of the outstanding shares of Serial Preference Stock II of all series then outstanding are present in person or by proxy; and provided further that the special class voting rights provided for herein when the same shall have become vested shall remain so vested until all accrued unpaid dividends on the Serial Preference Stock II of all series then outstanding shall have been paid, whereupon the holders of the Serial Preference Stock II shall be divested of their special class voting rights in respect of subsequent elections of Directors, subject to the revesting of such special class voting rights in the event hereinabove specified in this Section.

In the event of default entitling the holders of Serial Preference Stock II to elect three (3) Directors as above specified, a special meeting of the shareholders for the purpose of electing such Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten per cent (10%) of the shares of Serial Preference Stock II of all series at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders; provided, however, that the Corporation shall not be required to call such special meeting if the annual meeting of shareholders shall be held within ninety (90) days after the date of receipt of the foregoing written request from the holders of Serial Preference Stock II. At any meeting at which the holders of the Serial Preference Stock II shall be entitled to elect Directors, the holders of thirty-five per cent (35%) of the then outstanding shares of Serial Preference Stock II of all series, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the members of the Board of Directors which the holders of the Serial Preference Stock II are entitled to elect as hereinabove provided.

(b) The consent of the holders of at least two-thirds of the number of shares of Serial Preference Stock II at the time outstanding given in person or by proxy, either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock II shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock II are concerned, such action may be effected with such consent):

(i) Any amendment, alteration or repeal of any of the provisions of these Articles of Incorporation, as the same may at any time be amended, or of the Regulations of the Corporation which affects adversely the voting powers, rights or preferences of the holders of Serial Preference Stock II or reduces the time for any notice to which the holders of Serial Preference Stock II may be entitled; provided, however, that neither the amendment of these Articles of Incorporation, as the same may at any time be amended, so as to authorize or create, or to increase the author-

ized amount of, Serial Preference Stock II or of any shares of any class ranking on a parity with or junior to the Serial Preference Stock II, nor the amendment of the provisions of the Regulations so as to increase the number of Directors of the Corporation, shall be deemed to affect adversely the voting powers, rights or preferences of the holders of the Serial Preference Stock II; and provided further, that if such amendment, alteration or repeal affects adversely the rights or preferences of one or more but not all series of Serial Preference Stock II at the time outstanding, only the consent of the holders of at least two-thirds of the number of the shares of the series so affected shall be required;

(ii) The authorization or creation of, or the increase in the authorized amount of, any shares of any class, or any security convertible into shares of any class, ranking prior to the Serial Preference Stock II; or

(iii) The purchase or redemption (for sinking fund purposes or otherwise) of less than all of the Serial Preference Stock II then outstanding except in accordance with a stock purchase offer made to all holders of record of Serial Preference Stock II, unless all dividends upon all Serial Preference Stock II then outstanding for all previous quarterly dividend periods shall have been declared and paid or funds therefor set apart and all accrued sinking fund obligations applicable thereto shall have been complied with.

(c) The consent of the holders of at least a majority of the number of shares of Serial Preference Stock II at the time outstanding, given in person or by proxy either in writing or at a meeting called for the purpose at which the holders of the Serial Preference Stock II shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Serial Preference Stock II are concerned, such action may be effected with such consent):

(i) The sale, lease or conveyance by the Corporation of all or substantially all of its property or business or the voluntary parting with the control thereof, or its consolidation with or merger into any other corporation unless the corporation resulting from such consolidation or merger will have after such consolidation or merger no class of shares either authorized or outstanding ranking prior to or on a parity with the Serial Preference Stock II except the same number of shares ranking prior to or on a parity with the Serial Preference Stock II and having the same rights and preferences as the shares of the Corporation authorized and outstanding immediately preceding such consolidation or merger, and each holder of Serial Preference Stock II immediately preceding such consolidation or merger shall receive the same number of shares, with the same rights and preferences, of the resulting corporation; or

(ii) The authorization of any shares ranking on a parity with the Serial Preference Stock II or an increase in the authorized number of shares of Serial Preference Stock II.

(d) Neither the consent of, nor any adjustment of the voting rights of, holders of shares of Serial Preference Stock II shall be required for an increase in the number of shares of Common Stock authorized or issued or for stock splits of the Common Stock or for stock dividends on any class of stock payable solely in Common Stock, and none of the foregoing actions shall be deemed to affect adversely the voting powers, rights or preferences of Serial Preference Stock II within the meaning and for the purpose of this Division C.

Section 7. The holders of the Serial Preference Stock II shall have no pre-emptive right to purchase or have offered to them for purchase any shares or other securities of the Corporation, whether now or hereafter authorized.

Section 8. For the purposes of this Division C:

Whenever reference is made to shares "ranking prior to the Serial Preference Stock II", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends or as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are given preference over the rights of the holders of Serial Preference Stock II; whenever reference is made to shares "on a parity with the Serial Preference Stock II", such reference shall mean and include all shares of Serial Preference Stock and all other shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation rank on an equality (except as to the amounts fixed

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therefor) with the rights of the holders of the Serial Preference Stock II; and whenever reference is made to shares "ranking junior to the Serial Preference Stock II", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders as to the payment of dividends and as to distributions in the event of an involuntary liquidation, dissolution or winding up of the Corporation are junior and subordinate to the rights of the holders of the Serial Preference Stock II.

DIVISION C-1

Express Terms of Cumulative Serial Preference Stock II, $4.40 Convertible Series 1

There is hereby established a first series of Serial Preference Stock II, to which the following provisions shall be applicable:

Section 1. *Designation of Series.* The series shall be designated "Cumulative Serial Preference Stock II, $4.40 Convertible Series 1" (herein called "Series 1").

Section 2. *Number of Shares.* The number of shares of Series 1 is 1,820,000, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Directors.

Section 3. *Dividend Rate.* The dividend rate for Series 1 is $4.40 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on Series 1 shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The shares of Series 1 shall not be redeemable by the Corporation prior to March 15, 1974. Thereafter the redemption prices for shares of Series 1 shall be as follows:

If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price	If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price
1974	$112.00	1977	$106.00
1975	110.00	1978 and thereafter	104.00
1976	108.00		

Section 6. *Liquidation Rights.* The amount payable on shares of Series 1 in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to March 15, 1974 shall be $112.00 per share and thereafter shall be an amount equal to the redemption price for shares of Series 1 in effect on the distribution date, and in the event of any involuntary liquidation, dissolution or winding up of the Corporation shall be $104.00 per share.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, shares of Series 1 may at the option of the holder at any time (or, in the case of shares called for redemption, then until and including the close of business on the date fixed for redemption but not thereafter if payment of the redemption price has been duly provided for by the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series 1 may exercise the conversion privilege in respect thereof by delivering to any transfer agent of Series 1 the share to be converted accompanied by written notice that the holder elects to convert such share. Conversion shall be deemed to have been effected immediately prior to the close of business on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of shares of Series 1 surrendered for conversion, or on his written order, a certificate for the number of full shares of

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Common Stock issuable upon the conversion of such shares of Series 1 and a check or cash in respect of any fraction of a share as provided in paragraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series 1 or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of shares of Series 1. If more than one share of Series 1 shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any shares of Series 1, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $90.909 per share (this initial conversion price being herein called the "base conversion price"). The number of shares of Common Stock issuable upon conversion of one share of Series 1 shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) Except as provided in subparagraphs (C), (E) and (F) below, whenever the Corporation shall issue or sell any Additional Shares as hereinafter defined for a consideration per share less than the conversion price then in effect, or without consideration, the conversion price in effect immediately prior to such issuance shall forthwith be adjusted as follows:

(1) Multiply the base conversion price by the sum of (i) the total number of shares of Common Stock outstanding (excluding shares held in the Corporation's treasury) on November 16, 1967 and (ii) the total number of shares of Common Stock issuable on November 16, 1967 upon conversion of any shares of Serial Preference Stock then outstanding (the sum of such shares being herein called the "Base Shares"), then

(2) Add to the result so obtained the total consideration received by the Corporation for all Additional Shares, and then

(3) Divide such result by the sum of the number of Base Shares and the number of Additional Shares, disregarding in the quotient so obtained fractions of one cent;

provided, however, that such adjustment shall be made only if the resulting quotient shall be less than the conversion price in effect immediately prior to the issue or sale of such Additional Shares.

(B) For the purposes of subparagraph (A) above, the following provisions shall be applicable:

(1) The term "Additional Shares" shall mean all shares of Common Stock issued by the Corporation (whether or not the consideration therefor, if any, is less per share than the base conversion price) in excess of the Base Shares, whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares now or hereafter held in the Corporation's treasury;

(ii) shares issued pursuant to any employees' stock purchase plan or any employees' stock option plan heretofore or hereafter adopted or approved by the shareholders of the Corporation and shares issued pursuant to any employees' stock purchase plan or employees' stock option agreement heretofore or hereafter assumed by the Corporation, including in the case of any plan or agreement covered by this clause (ii) shares of Common Stock issued upon the conversion of convertible securities so issued;

(iii) except as provided in paragraph (4) below, shares of Common Stock issued in connection with the acquisition by the Corporation of the properties, assets and business of another corporation, firm or other entity as a going concern (whether such acquisition is by way of a merger, combination or majority share acquisition or otherwise) and shares of Common Stock issued upon conversion of any convertible securities issued by the Corporation in connection with any such acquisition (as used herein, the terms "combination" and "majority share acquisition" shall have the meanings set forth in Section 1701.01 of the Ohio Revised Code); and

(iv) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares by the foregoing clauses (i), (ii) and (iii) or this clause (iv) or on shares resulting from any subdivision or combination of shares so excluded.

(2) In case of the issuance or sale of Additional Shares for cash, the consideration therefor shall be deemed to be the amount of cash received by the Corporation for such shares (or, if such Additional Shares are offered by the Corporation for subscription, the subscription price, or, if such Additional Shares are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred by the Corporation in connection therewith.

(3) Subject to the provisions of paragraph (4) below, in the case of issuance or sale of Additional Shares for a consideration other than cash, the amount of such consideration shall be deemed to be the fair value thereof as determined by the Directors of the Corporation, for purposes of this subparagraph (B), irrespective of any accounting treatment.

(4) Subject to clause (iii) of this paragraph (4):

(i) any shares of Common Stock issued in connection with any merger of IRC, Inc. into the Corporation shall constitute Additional Shares and shall be deemed to have been issued for a consideration equal to the conversion price in effect immediately prior to the issuance of such Additional Shares;

(ii) in the case of the issuance of any shares of Preference Stock II in connection with any merger of United-Carr Incorporated or IRC, Inc. into the Corporation, any shares of Common Stock into which such shares of Preference Stock II are initially convertible shall constitute Additional Shares and shall be deemed to have been issued at the time of the issuance of such shares of Preference Stock II for a consideration equal to the conversion price of Series 1 in effect immediately prior to the issuance of such shares of Preference Stock II; and

(iii) no shares of Common Stock covered by clauses (i) or (ii) of this paragraph (4) in excess of an aggregate of 1,221,569 shares (proportionately adjusted to reflect any split or combination of, or stock dividend paid on, the Common Stock prior to the effective dates of said mergers) shall at any time constitute Additional Shares.

(5) In the case of issuance of Additional Shares as a stock dividend of 15% or less, the shares shall be deemed to have been issued without consideration at the close of business on the dividend record date.

(6) Subject to the provisions of paragraph (4) above, in the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation, the amount of consideration received by the Corporation shall be deemed to be the total of (a) the amount of consideration, if any, received by the Corporation upon the issuance of such other securities, plus (b) the amount of the consideration, if any, other than such other securities, received by the Corporation upon such conversion or exchange. In determining the amount of the consideration received by the Corporation upon the issuance of such other securities the amount of the consideration in cash and other than cash shall be determined pursuant to paragraphs (2) and (3) above. If securities of the same class or series of a class as such other securities were issued for different amounts of consideration (determined as above provided), or if some were issued for no consideration, then the amount of the consideration received by the Corporation upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the Corporation upon the issuance of all the securities of such class or series, as the case may be.

(C) If, at any time after November 16, 1967, the Corporation splits or combines the outstanding shares of Common Stock, then as of the close of business on the effective date of such split or combination the conversion price shall be proportionately decreased in the case of a split or increased in the case of a combination. A stock dividend of more than 15% shall be considered a stock split and the effective date shall be deemed to be the close of business on the dividend record date.

(D) Whenever the conversion price is adjusted as herein provided, the Corporation shall forthwith place on file with each transfer agent of shares of Series 1 a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of shares of Series 1 desiring an inspection thereof. The Corporation shall also cause a notice, stating that such adjustment has been effected and setting forth the adjusted conversion price, to be published at least once in a newspaper printed in the English language and customarily published at least once a day for at least five days in each calendar week, which shall be of general circulation in the Borough of Manhattan, the City of New York (herein called an "Authorized Newspaper").

(E) In the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation as provided in paragraph (6) of subparagraph (B) above, the conversion price shall be adjusted to reflect the issuance of such Additional Shares only on the 15th day of each calendar month to reflect all such conversions or exchanges through the preceding calendar month. Upon the redemption of any shares of Series 1, the conversion price shall be adjusted to reflect the issuance of such Additional Shares as of a date not earlier than the close of business on the fifth business day preceding the mailing of the notice of redemption.

(F) No adjustment of the conversion price shall be made if the amount of such adjustment shall be less than 50¢, but in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with all adjustments so carried forward shall amount to not less than 50¢. In case the Corporation shall at any time split or combine the outstanding shares of Common Stock, said amount of 50¢ (as theretofore decreased or increased) shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination, so as to appropriately reflect the same. For this purpose, a stock dividend of more than 15% shall be considered a split of the outstanding shares.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in

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which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series 1 then outstanding shall have the right to convert such share into the same kind and amount of stock and other securities and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock or other securities or property into which shares of Series 1 shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of shares of Series 1 for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of shares of Series 1 shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the shares of Series 1 converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized and unissued stock or out of shares held in its treasury, for the purpose of effecting the conversion of shares of Series 1 such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series 1.

(i) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in either of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of shares of Series 1 at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

(j) In case the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by fifty per cent (50%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period, it shall cause notice thereof to be published at least once in an Authorized Newspaper.

DIVISION C-2

Express Terms of Cumulative Serial Preference Stock II, $4.40 Convertible Series 2

There is hereby established a second series of Serial Preference Stock II, to which the following provisions shall be applicable:

Section 1. *Designation of Series.* The series shall be designated "Cumulative Serial Preference Stock II, $4.40 Convertible Series 2" (herein called "Series 2").

Section 2. *Number of Shares.* The number of shares of Series 2 is 410,000, which number from time to time may be increased or decreased (but not below the number of shares of the series then outstanding) by the Directors.

Section 3. *Dividend Rate.* The dividend rate for Series 2 is $4.40 per share per annum.

Section 4. *Dividend Payment Dates.* The dates at which dividends on Series 2 shall be payable are March 15, June 15, September 15 and December 15 of each year.

Section 5. *Redemption Prices.* The shares of Series 2 shall not be redeemable by the Corporation prior to March 15, 1974. Thereafter the redemption prices for shares of Series 2 shall be as follows:

If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price	If the Redemption Date is During 12-Month Period Beginning March 15:	Redemption Price
1974	$112.00	1977	$106.00
1975	110.00	1978 and thereafter	104.00
1976	108.00		

Section 6. *Liquidation Rights.* The amount payable on shares of Series 2 in the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation prior to March 15, 1974 shall be $112.00 per share and thereafter shall be an amount equal to the redempton price for shares of Series 2 in effect on the distribution date, and in the event of any involuntary liquidation, dissolution or winding up of the Corporation shall be $104.00 per share.

Section 7. *Conversion Right.* (a) Subject to and upon compliance with the provisions of this Section 7, shares of Series 2 may at the option of the holder at any time (or, in the case of shares called for redemption, then until and including the close of business on the date fixed for redemption but not thereafter if payment of the redemption price has been duly provided for by the date fixed for redemption), be converted into shares of Common Stock (as such shares shall be constituted at the conversion date) at the conversion price in effect at the conversion date.

(b) The holder of each share of Series 2 may exercise the conversion privilege in respect thereof by delivering to any transfer agent of Series 2 the share to be converted accompanied by written notice that the holder elects to convert such share. Conversion shall be deemed to have been effected immediately prior to the close of business on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall issue and deliver to the holder of shares of Series 2 surrendered for conversion, or on his written order, a certificate for the number of full shares of Common Stock issuable upon the conversion of such shares of Series 2 and a check or cash in respect of any fraction of a share as provided in paragraph (c) of this Section 7. The person in whose name the stock certificate is to be issued shall be deemed to have become a holder of Common Stock of record on the conversion date. No adjustment shall be made for any dividends on such shares of Series 2 or for dividends on the shares of Common Stock issued on conversion.

(c) The Corporation shall not be required to issue fractional shares of Common Stock upon conversion of shares of Series 2. If more than one share of Series 2 shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon the conversion of any shares of Series 2, the Corporation shall in lieu of delivering the fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed on the basis of the last reported sale price of the shares of Common Stock on the New York Stock Exchange on the last business day before the conversion date or, if there was no reported sale on that day, on the basis of the mean of the closing bid and asked quotations on that Exchange on that day, or, if the Common Stock is not then listed on that Exchange, on the basis of the mean of the closing bid and asked quotations in the over-the-counter market on that day as reported by the National Quotation Bureau, or similar reporting service.

(d) Unless and until an adjusted conversion price of the Common Stock is required to be computed as hereinafter provided, the conversion price for such Common Stock shall be $90.909 per share (this initial conversion price being herein called the "base conversion price"). The number of shares of Common Stock issuable upon conversion of one share of Series 2 shall be determined by dividing $100 by the conversion price then in effect.

(e) The conversion price shall be adjusted from time to time as follows:

(A) Except as provided in subparagraphs (C), (E) and (F) below, whenever the Corporation shall issue or sell any Additional Shares as hereinafter defined for a consideration per share less than the conversion price then in effect, or without consideration, the conversion price in effect immediately prior to such issuance shall forthwith be adjusted as follows:

(1) Multiply the base conversion price by the sum of (i) the total number of shares of Common Stock outstanding (excluding shares held in the Corporation's treasury) on November 16, 1967 and (ii) the total number of shares of Common Stock issuable on November 16, 1967 upon conversion of any shares of Serial Preference Stock then outstanding (the sum of such shares being herein called the "Base Shares"), then

(2) Add to the result so obtained the total consideration received by the Corporation for all Additional Shares, and then

(3) Divide such result by the sum of the number of Base Shares and the number of Additional Shares, disregarding in the quotient so obtained fractions of one cent;

provided, however, that such adjustment shall be made only if the resulting quotient shall be less than the conversion price in effect immediately prior to the issue or sale of such Additional Shares.

(B) For the purposes of subparagraph (A) above, the following provisions shall be applicable:

(1) The term "Additional Shares" shall mean all shares of Common Stock issued by the Corporation (whether or not the consideration therefor, if any, is less per share than the base conversion price) in excess of the Base Shares, whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares now or hereafter held in the Corporation's treasury;

(ii) shares issued pursuant to any employees' stock purchase plan or any employees' stock option plan heretofore or hereafter adopted or approved by the shareholders of the Corporation and shares issued pursuant to any employees' stock purchase plan or employees' stock option agreement heretofore or hereafter assumed by the Corporation, including in the case of any plan or agreement covered by this clause (ii) shares of Common Stock issued upon the conversion of convertible securities so issued;

(iii) except as provided in paragraph (4) below, shares of Common Stock issued in connection with the acquisition by the Corporation of the properties, assets and business of another corporation, firm or other entity as a going concern (whether such acquisition is by way of a merger, combination or majority share acquisition or otherwise) and shares of Common Stock issued upon conversion of any convertible securities issued by the Corporation in connection with any such acquisition (as used herein, the terms "combination" and "majority share acquisition" shall have the meanings set forth in Section 1701.01 of the Ohio Revised Code); and

(iv) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares by the foregoing clauses (i), (ii) and (iii) or this clause (iv) or on shares resulting from any subdivision or combination of shares so excluded.

(2) In case of the issuance or sale of Additional Shares for cash, the consideration therefor shall be deemed to be the amount of cash received by the Corporation for such shares (or, if such Additional Shares are offered by the Corporation for subscription, the subscription price, or, if such Additional Shares are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred by the Corporation in connection therewith.

(3) Subject to the provisions of paragraph (4) below, in the case of issuance or sale of Additional Shares for a consideration other than cash, the amount of such consideration shall be deemed to be the fair value thereof as determined by the Directors of the Corporation, for purposes of this subparagraph (B), irrespective of any accounting treatment.

(4) Subject to clause (iii) of this paragraph (4):

(i) any shares of Common Stock issued in connection with any merger of IRC, Inc. into the Corporation shall constitute Additional Shares and shall be deemed to have been issued for a consideration equal to the conversion price in effect immediately prior to the issuance of such Additional Shares;

(ii) in the case of the issuance of any shares of Preference Stock II in connection with any merger of United-Carr Incorporated or IRC, Inc. into the Corporation, any shares of Common Stock into which such shares of Preference Stock II are initially convertible shall constitute Additional Shares and shall be deemed to have been issued at the time of the issuance of such shares of Preference Stock II for a consideration equal to the conversion price of Series 2 in effect immediately prior to the issuance of such shares of Preference Stock II; and

(iii) no shares of Common Stock covered by clauses (i) or (ii) of this paragraph (4) in excess of an aggregate of 1,221,569 shares (proportionately adjusted to reflect any split or combination of, or stock dividend paid on, the Common Stock prior to the effective dates of said mergers) shall at any time constitute Additional Shares.

(5) In the case of issuance of Additional Shares as a stock dividend of 15% or less, the shares shall be deemed to have been issued without consideration at the close of business on the dividend record date.

(6) Subject to the provisions of paragraph (4) above, in the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation, the amount of consideration received by the Corporation shall be deemed to be the total of (a) the amount of consideration, if any, received by the Corporation upon the issuance of such other securities, plus (b) the amount of the consideration, if any, other than such other securities, received by the Corporation upon such conversion or exchange.

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In determining the amount of the consideration received by the Corporation upon the issuance of such other securities the amount of the consideration in cash and other than cash shall be determined pursuant to paragraphs (2) and (3) above. If securities of the same class or series of a class as such other securities were issued for different amounts of consideration (determined as above provided), or if some were issued for no consideration, then the amount of the consideration received by the Corporation upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the Corporation upon the issuance of all the securities of such class or series, as the case may be.

(C) If, at any time after November 16, 1967, the Corporation splits or combines the outstanding shares of Common Stock, then as of the close of business on the effective date of such split or combination the conversion price shall be proportionately decreased in the case of a split or increased in the case of a combination. A stock dividend of more than 15% shall be considered a stock split and the effective date shall be deemed to be the close of business on the dividend record date.

(D) Whenever the conversion price is adjusted as herein provided, the Corporation shall forthwith place on file with each transfer agent of shares of Series 2 a statement signed by the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment and shall exhibit the same from time to time to any holder of shares of Series 2 desiring an inspection thereof. The Corporation shall also cause a notice, stating that such adjustment has been effected and setting forth the adjusted conversion price, to be published at least once in a newspaper printed in the English language and customarily published at least once a day for at least five days in each calendar week, which shall be of general circulation in the Borough of Manhattan, the City of New York (herein called an "Authorized Newspaper").

(E) In the case of the issuance of Additional Shares upon conversion or exchange of other securities of the Corporation as provided in paragraph (6) of subparagraph (B) above, the conversion price shall be adjusted to reflect the issuance of such Additional Shares only on the 15th day of each calendar month to reflect all such conversions or exchanges through the preceding calendar month. Upon the redemption of any shares of Series 2, the conversion price shall be adjusted to reflect the issuance of such Additional Shares as of a date not earlier than the close of business on the fifth business day preceding the mailing of the notice of redemption.

(F) No adjustment of the conversion price shall be made if the amount of such adjustment shall be less than 50¢, but in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with all adjustments so carried forward shall amount to not less than 50¢. In case the Corporation shall at any time split or combine the outstanding shares of Common Stock, said amount of 50¢ (as theretofore decreased or increased) shall forthwith be proportionately decreased in the case of a split or increased in the case of a combination, so as to appropriately reflect the same. For this purpose, a stock dividend of more than 15% shall be considered a split of the outstanding shares.

(f) In case of any reclassification or change of outstanding shares of Common Stock (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), or in case of any consolidation or merger to which the Corporation is a party (other than a merger in which the Corporation is the surviving corporation and which does not result in any reclassification or change of the outstanding Common Stock of the Corporation except as stated above), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, lawful provision shall be made as part of the terms of such reclassification, change, consolidation, merger, sale or conveyance that the holder of each share of Series 2 then outstanding shall have the right to convert such share into the same kind and amount of stock and other

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securities and property as would be receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior thereto.

As evidence of the kind and amount of stock or other securities or property into which shares of Series 2 shall be convertible after any such reclassification, change, consolidation, merger, sale or conveyance, or as to the appropriate adjustments of the conversion price applicable with respect thereto, the transfer agents may accept the certificate of any firm of independent public accountants (who may be the regular auditors retained by the Corporation) with respect thereto, who as to questions of law may request and rely upon an opinion of counsel (who may be counsel for the Corporation) and in the absence of bad faith upon the part of the transfer agents, they may conclusively rely thereon, and shall not be responsible or accountable to any holder of shares of Series 2 for any provision in conformity therewith, or approved by such firm of independent public accountants.

(g) The issue of stock certificates on conversions of shares of Series 2 shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of the shares of Series 2 converted, and the Corporation shall not be required to issue or deliver any such stock certificate unless and until the person or persons requesting the issue thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(h) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized and unissued stock or out of shares held in its treasury, for the purpose of effecting the conversion of shares of Series 2 such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series 2.

(i) In case at any time:

(1) the Corporation shall pay any dividend upon its Common Stock payable in shares of its Common Stock and such dividend shall be in excess of five per cent (5%); or

(2) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of any class or of any other rights;

then, in either of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to each holder of record of shares of Series 2 at his address then appearing on the books of the Corporation, of the record date or of the date on which the transfer books of the Corporation shall close with respect to such action. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Corporation's transfer books are closed with respect thereto.

(j) In case the Corporation shall pay in any quarter-annual period any cash dividends upon its Common Stock which in total amount per share will exceed by fifty per cent (50%) the total amount per share of the cash dividends paid during the last preceding quarter-annual period, it shall cause notice thereof to be published at least once in an Authorized Newspaper.

DIVISION D

Express Terms of Common Stock

The Common Stock shall be subject to the express terms of the Cumulative Preferred Stock and to the express terms of the Serial Preference Stock and any series thereof and to the express terms of the Serial Preference Stock II and any series thereof. Each share of Common Stock shall be equal to every other share of Common Stock; and the holders thereof shall be entitled to one vote for each share of such stock on all questions presented to the shareholders.

The holders of shares of Common Stock shall have no pre-emptive right to purchase or have offered to them for purchase any shares of Common Stock which at any time shall be required for issuance or be issued in fulfillment of the provisions of (a) the Corporation's 4⅞% Subordinated Debentures Due 1982 (convertible into Common Stock until August 1, 1967), or (b) any option or options or other rights to purchase Common Stock granted to officers and employees of the Corporation or any of its subsidiaries pursuant to any stock option or employees' stock purchase plan adopted or approved at any meeting of shareholders by a majority vote of the shareholders of the Corporation entitled to vote thereon, or (c) any series of the Corporation's Serial Preference Stock or Serial Preference Stock II.

Fifth: The Corporation may from time to time, pursuant to authorization by its Board of Directors and without action by the shareholders, purchase or otherwise acquire shares of the Corporation of any class; subject, however, to such limitation or restriction, if any, as is contained in the express terms of any class of shares of the Corporation outstanding at the time of such purchase or acquisition.

Sixth: Any and every statute of Ohio hereafter enacted whereby the rights, powers or privileges of corporations or of the shareholders of corporations organized under the laws of Ohio are increased or diminished or in any way affected, or whereby effect is given to the action taken by any number, less than all, of the shareholders of any such corporation, shall apply to the Corporation and shall be binding not only upon the Corporation but upon every shareholder of the Corporation to the same extent as if such statute had been in force on October 31, 1958, the time of merger of The Ramo-Wooldridge Corporation into the Corporation.

Seventh: These Amended Articles of Incorporation shall supersede and take the place of the heretofore existing Articles of Incorporation of the Corporation and all amendments thereto.

EXHIBIT B

FIRST DIRECTORS AND OFFICERS OF THE CORPORATION

PART I: DIRECTORS

Name	Address
For the term ending in 1968:	
R. F. Bacher	California Institute of Technology Pasadena, California
J. T. Brown	Mellon National Bank & Trust Company Pittsburgh, Pennsylvania
R. F. Mettler	One Space Park Redondo Beach, California
S. C. Pace	23555 Euclid Avenue Euclid, Ohio
E. P. Riley	23555 Euclid Avenue Euclid, Ohio
W. S. Vaughn	343 State Street Rochester, New York
For the term ending in 1969:	
J. H. Doolittle	5225 Wilshire Boulevard Los Angeles, California
S. Ramo	One Space Park Redondo Beach, California
H. A. Shepard	23555 Euclid Avenue Euclid, Ohio
For the term ending in 1970:	
J. A. Alexander	111 Monument Circle Indianapolis, Indiana
O. Chandler	Times Mirror Square Los Angeles, California
J. S. Webb	1100 Glendon Avenue Los Angeles, California
D. E. Wooldridge	4545 Via Esperanza Santa Barbara, California
L. B. Worthington	525 William Penn Place Pittsburgh, Pennsylvania
J. D. Wright	23555 Euclid Avenue Euclid, Ohio

PART II: OFFICERS

Name	Title	Address
C. R. Allen	Vice President, Chief Financial Officer	23555 Euclid Avenue Euclid, Ohio
P. T. Angell	Vice President	23555 Euclid Avenue Euclid, Ohio
J. J. Antalek	Vice President	666 Garland Place Des Plaines, Illinois
I. A. Binder	Vice President	2196 Clarkwood Avenue Cleveland, Ohio
J. F. Bradley, Jr.	Assistant Vice President, Finance	23555 Euclid Avenue Euclid, Ohio
R. F. Britton	Assistant Secretary	23555 Euclid Avenue Euclid, Ohio
R. A. Burgin, Jr.	Vice President	23555 Euclid Avenue Euclid, Ohio
R. B. Corpening	Assistant Secretary	One Space Park Redondo Beach, California
R. E. Cummings	Vice President	1455 East 185th Street Cleveland, Ohio
E. B. Doll	Vice President	One Space Park Redondo Beach, California
W. R. Donnelly	Vice President	23555 Euclid Avenue Euclid, Ohio
J. E. Dunlap	Vice President	23555 Euclid Avenue Euclid, Ohio
E. M. Foley	Vice President	One Space Park Redondo Beach, California
E. E. Ford	Assistant General Counsel	23555 Euclid Avenue Euclid, Ohio
F. W. Hesse, Jr.	Vice President	One Space Park Redondo Beach, California
C. L. Kahlert	Vice President	8001 East Pleasant Valley Road Independence, Ohio
R. S. Kenerson	Vice President	402 Chandler Street Jamestown, New York
J. H. Kerr	Vice President and General Counsel	23555 Euclid Avenue Euclid, Ohio
W. G. King, Jr.	Assistant Treasurer	23555 Euclid Avenue Euclid, Ohio
R. J. Leaver	Assistant Secretary	1100 Glendon Avenue Los Angeles, California

Name	Title	Address
R. F. Mettler	Executive Vice President	One Space Park Redondo Beach, California
H. Q. North	Vice President	One Space Park Redondo Beach, California
Wilson H. Oelkers	Vice President	401 North Broad Street Philadelphia, Pennsylvania
C. W. Ohly	Vice President	34201 Van Dyke Avenue Warren, Michigan
S. C. Pace	Executive Vice President	23555 Euclid Avenue Euclid, Ohio
R. H. Palenschat	Assistant Controller	23555 Euclid Avenue Euclid, Ohio
P. E. Priest	Controller	23555 Euclid Avenue Euclid, Ohio
S. Ramo	Vice Chairman of the Board	One Space Park Redondo Beach, California
E. P. Riley	Executive Vice President	23555 Euclid Avenue Euclid, Ohio
P. W. Schuette	Secretary	23555 Euclid Avenue Euclid, Ohio
A. H. Schweitzer	Vice President	23555 Euclid Avenue Euclid, Ohio
J. H. Shaffer	Vice President	1875 Connecticut Avenue Washington, D.C.
H. A. Shepard	President	23555 Euclid Avenue Euclid, Ohio
N. G. Spoth	Vice President	P. O. Box 250 Minerva, Ohio
E. E. Stuart	Vice President, Treasurer, Assistant Secretary	23555 Euclid Avenue Euclid, Ohio
J. S. Webb	Executive Vice President	1100 Glendon Avenue Los Angeles, California
K. C. White	Vice President	23555 Euclid Avenue Euclid, Ohio
Q. T. Wiles	Vice President	1100 Glendon Avenue Los Angeles, California
J. D. Wright	Chairman of the Board and Chief Executive Officer	23555 Euclid Avenue Euclid, Ohio

EXHIBIT C

TO

AGREEMENT OF MERGER

AMENDMENTS TO AMENDED ARTICLES OF INCORPORATION
OF TRW INC. TO BE PROPOSED FOR SHAREHOLDER ACTION
AT 1968 SHAREHOLDERS' MEETING

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1. The first paragraph of Article Fourth would be changed to read as follows:

"Fourth: The number of shares which the Corporation is authorized to have outstanding is 55,811,908, which shall be classified as follows:

"61,908 shares of 4% Cumulative Preferred Stock of the par value of $100 each (hereinafter called 'Cumulative Preferred Stock');

"750,000 shares of Serial Preference Stock without par value (hereinafter called 'Serial Preference Stock'); and

"5,000,000 shares of Serial Preference Stock II without par value (hereinafter called 'Serial Preference Stock II'); and

"50,000,000 shares of Common Stock of the par value of $1.25 each (hereinafter called 'Common Stock').

"Each share of Common Stock of the par value of $2.50 each heretofore authorized and issued is hereby changed into two shares of Common Stock of the par value of $1.25 each."

2. A new paragraph (d) would be added at the end of Section 6 of Division B of Article Fourth reading as follows:

"(d) Neither the consent of, nor any adjustment of the voting rights of, holders of shares of Serial Preference Stock shall be required for an increase in the number of shares of Common Stock authorized or issued or for stock splits of the Common Stock or for stock dividends on any class of stock payable solely in Common Stock, and none of the foregoing actions shall be deemed to affect adversely the voting powers, rights or preferences of Serial Preference Stock within the meaning and for the purpose of this Division B."

3. Clause (d) of Section 1 of Division C of Article Fourth would be changed to read as follows:

"(d) The date at which dividends, if declared, shall be payable and the dates from which dividends shall be cumulative."

4. The second sentence of Section 2 of Division C of Article Fourth would be changed to read as follows:

"Such dividends shall be cumulative, in the case of shares of each particular series, from and after the date of issuance thereof or from and after such other date or dates as may be fixed and determined by the Board of Directors by amendment to the Articles of Incorporation of the Corporation as provided in Section 1 of this Division C."

TRW-MGR-0701

IRC Rel. 29.

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

RING BUILDING
WASHINGTON, D.C. 20036

January 8, 1968

138-JF
C-2839-7

Mr. Paul W. Schuette, Secretary
TRW, Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Re: TRW - IRC, Inc. Merger

Dear Mr. Schuette:

Enclosed is an Application for Exemption from Dealer Registration in New York for TRW with respect to the IRC, Inc. Merger. If this document meets with your approval, would you please sign it and return it to the undersigned for filing. A carbon copy is enclosed for your files.

Very truly yours,

Naoma L. Stewart

Mrs. Naoma L. Stewart

Encs.

138-JF-4c
C-2839-7
1/5/68

APPLICATION FOR EXEMPTION UNDER
ARTICLE 23-A OF THE NEW YORK
GENERAL BUSINESS LAW

Attorney General
80 Centre Street
New York, New York 10013

STATE OF OHIO)
) SS.
CUYAHOGA COUNTY)

AFFIDAVIT

P. W. Schuette, being first duly sworn, deposes and says:

1. He is a principal officer, to-wit, Secretary of TRW, Inc. ("TRW"), an Ohio corporation qualified to do business in the State of New York and, as such, has knowledge of the facts and allegations set forth herein.

2. On behalf of TRW, request is hereby made of the Attorney General for an exemption, under Section 359-f(2)(b), Article 23-A, New York General Business Law ("Law") from the provisions of Subdivisions 2, 3, 4, 5 and 6 of Section 359-e of the Law.

3. The Boards of Directors of TRW and IRC, Inc. ("IRC"), a Delaware corporation, have approved an Agreement of Merger dated November 28, 1967, providing for the merger of IRC with and into TRW. If the merger becomes effective, each outstanding share of IRC Common Stock will be changed into one-third share of TRW Common Stock plus one-fourth share of TRW Cumulative Serial Preference Stock II, Series 1 or Series 2 ("TRW $4.40 Convertible Preference Stock").

Each share of TRW $4.40 Convertible Preference Stock will be entitled to preferred dividends of $4.40 per year, and will be convertible into 1.1 share of TRW Common Stock (or 2.2 shares if the proposed 2-for-1 split of TRW Common Stock becomes effective). If the proposed stock split is effective before the merger, TRW would issue the same amount of such Preference Stock but two-thirds of a share of Common Stock instead of

one-third. (See Proposed TRW Action on page 3 of enclosed IRC Proxy Statement.)

4. In view of the fact that approximately 1,392 stockholders of IRC have addresses of record in the State of New York, such transaction will bring Applicant within the definition of "Dealer" under Section 359-e of the Law.

5. Circumstances and facts bringing Applicant within paragraph (b) of Subdivision 2 of Section 359-f of the Law are as follows: The presently issued shares of TRW Common Stock are listed on the New York, Midwest, Philadelphia-Baltimore-Washington and Pacific Coast Stock Exchanges. Application will be made for the listing on such Exchanges, subject to notice of issuance, of the additional shares of TRW Common Stock to be issued in connection with the merger and the shares of TRW Common Stock into which the TRW $4.40 Convertible Preference Stock is convertible. (See Conditions; Waiver; Termination on pages 2 and 3 of enclosed IRC Proxy Statement.) TRW $4.40 Convertible Preference Stock ranks senior to TRW Common Stock as to dividends and liquidation rights, and application will be made for its listing on the New York Stock Exchange subject to notice of issuance. (See Priority on page 23 of enclosed IRC Proxy Statement.)

6. Submitted herewith in support of the statements made herein, and incorporated herein by this reference, is a copy of the IRC Proxy Statement, together with the Agreement of Merger dated November 28, 1967 which is appended to said Proxy Statement as Appendix 1.

Further affiant sayeth not.

P. W. Schnitte

P. W. Schnitte

Sworn to before me and subscribed in my presence this 9th day of January, 1968.

Althea M. Rahz

Notary Public

ALTHEA M. RAHZ
Notary Public, Cuyahoga County, Ohio
My Commission Expires Nov. 12, 1969

TRW-MGR-0704

IRC 3.16
65.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 14, 1967

White and Williams
19th Floor, Land Title Building
Philadelphia, Pa. 19110

Attention: Richard C. Bull, Esquire

Re: IRC, Inc.
File No. 1-3768

Gentlemen:

We have the following comments on the preliminary copies of proxy soliciting material of the subject Company filed November 22, 1967 to be used in connection with the special meeting of stockholders to be held January 30, 1968.

Letter to Stockholders

The second sentence of the third and fourth paragraphs should be deleted.

In the first sentence of the fourth paragraph, the words "stability" and "growth potential" should be deleted.

If the fifth paragraph is to be retained a statement should be made, if true, that Lazard Freres & Co. did not express an opinion on the business aspects or future prospects of the proposed merger.

Proxy Statement

The Merger - Page 1

"When" should be changed to "If" in the last sentence of the first paragraph and elsewhere in the proxy statement where a similar statement is made.

Please advise supplementally as to the steps taken to list the Serial Preference Stock II on the New York Stock Exchange.

TRW-MGR-0705

Change of Securities - Page 1

Any material differences between the Articles of Incorporation, the By-laws, or state statutes of IRC and TRW which affect the rights of shareholders should be indicated hereunder.

Business After the Merger - Page 2

Changes in the remuneration, including bonus, option and pension plans, for officers and directors of IRC after the merger should be disclosed.

Conditions and Termination; Waiver- Page 2

It is assumed that neither Board of Directors has any reason to believe that it will be necessary to modify or waive any provision of the Agreement and it is requested that a statement to that effect be included hereunder.

Federal Tax Status - Page 2

The tax basis to the IRC shareholders of the TRW convertible preference stock and common stock should be indicated hereunder.

The tax consequences in the event that Section 306 of the Internal Revenue Code will apply to sales or other disposition of the TRW convertible preference stock should be indicated hereunder.

Capitalization - Page 3

The capitalization table should be expanded to include the existing capitalization of both IRC and United-Carr.

Pro-Forma Income and Per Share Data - Pages 4-6

Note (e) on page 6 should state that there is no assurance as to future dividends since they are dependent on earnings, the financial condition of the Company, and other factors.

Financial Statements

On page 8, the reasons should be given for the decline in sales and earnings of IRC for the 42 week period ended October 22, 1967 and for the fiscal year ended December 29, 1963.

On page 9, the reasons should be given for the decline in sales and earnings of United-Carr for the nine month period ended September 30, 1967 over the comparable period of 1966.

The reporting of the special charge in the 1965 Statement of Consolidated Income of TRW, Inc. should be revised to be in consonance with paragraph 27 of Accounting Principles Board Opinion No. 9. The per share data should be revised accordingly.

A note should be added to the pro forma balance sheet to report the restrictions against retained earnings for dividend purposes assuming the various combinations possible are consummated.

The involuntary liquidation value of the TRW $4.40 Convertible Preference Stock should be disclosed in the face of the balance sheet. See paragraph 10 of Accounting Principles Board Opinion No. 10.

Each balance sheet should contain a caption entitled "Commitments" which should bear a reference to the applicable note or notes.

As supplemental information, please discuss the effect, if any, that the devaluation of the British pound will have upon the results of operation or the financial condition of TRW.

The caption "Excess of Cost Over Book Value of Assets of Acquired Companies" in the balance sheet of United-Carr should be referenced to a note which describes the basis of amortization.

Note A to the balance sheet of United-Carr should be expanded to explain the nature of the amount credited to retained earnings in consolidation.

Comparative Market Prices - Page 11

A third column should be added to the table on page 11 showing comparable market prices for the common stock of United-Carr. In addition, the market prices of TRW, IRC, and United-Carr common stock should be given for the day before the terms of the Agreements were first made public.

Business and Properties of TRW - Pages 12-16

The backlog of orders as of September 30, 1967 and as of September 30,

1966 segregated between Government and non-Government orders should be furnished under the caption "General" on page 15. It should also be pointed out that Government orders may be cancelled for the convenience of the Government.

Acquisitions and Dispositions of Businesses - Page 14

It appears that the acquisition of Globe Industries should be included hereunder.

Business and Properties of IRC - Pages 28-31

Information should be given under "Customers" on page 29 regarding backlogs and Government contracts including profit margins, renegotiation, cancellation provisions, etc., in the same detail given for TRW.

Competition - Page 30

If a material risk exists that radio, television and other manufacturers may produce resistors and semiconductor devices rather than purchasing them from an independent source, such as IRC, appropriate disclosure should be included hereunder.

Property Description - Page 30

Please state the extent of utilization of the facilities used in the enterprise.

Employee Relations - Page 30

In view of the technical nature of its business, IRC employees should be broken down into categories according to technical training and advanced degrees similar to the presentation for TRW in the first paragraph on page 15.

Department of Justice Inquiries - Page 35

Revisions should be made hereunder to indicate the extent to which the various companies have responded to the requests from the Department of Justice. It is suggested that the information under this caption be set forth in the front part of the proxy statement under the caption "Merger" on pages 1 - 3.

Appraisal Rights - Page 36

The disclosure to be made under this caption should be set forth under the caption "Merger" on pages 1 - 3. We assume that the text of this caption will be submitted for review prior to distribution of the proxy soliciting material.

General

A brief description of business and properties of United-Carr should be included in the proxy statement.

Please inform this Division whether there has been any adverse trend in sales or earnings for IRC, TRW, and United-Carr since the dates of the income statements for these companies in the proxy statement.

If any written report has been prepared, particularly by investment banking firms, for either IRC or TRW in connection with the merger, a copy of such report should be furnished as supplemental information. Any report so furnished will be returned upon request.

Appropriate disclosure should be made in the proxy statement of all finder's fees and fees paid, to be paid, or in dispute, to independent financial advisors in connection with the merger.

In view of the nature of the above comments, it is requested that revised preliminary material be filed with the Commission prior to the mailing of definitive material to stockholders.

If you have any questions with respect to the foregoing, please contact Mr. John Burkhard at 962-3255, Area Code 202.

Sincerely yours,

Abraham Zwerling
Assistant Director
Division of Corporation Finance

By _____
Joseph P. Romeo, Branch Chief

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

RING BUILDING
WASHINGTON, D.C. 20036

26-jef
C-2839

November 24, 1967

Mr. Paul Schuette
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Dear Paul:

I am enclosing herewith a copy of the transmittal letter of White & Williams which was sent to the SEC with the initial filing of the IRC Proxy Statement. You will see from paragraph 7 and 8 of this letter that White & Williams did not enclose information concerning purchases of stock of IRC and TRW by the officers and Directors of TRW and did not include a complete history of the negotiations in the statement concerning finders' fees. This information will have to be furnished to the SEC at a subsequent date.

Very truly yours,

Charles E. Bodurtha

Enclosure

LAW OFFICES
WHITE & WILLIAMS
1900 LAND TITLE BUILDING
PHILADELPHIA - 10

November 22, 1967

Securities and Exchange Commission
500 North Capitol Street, N.W.
Washington, D. C. 20549

Attn: Mr. Romeo, Branch Chief, Division of Corporate Finance

Dear Sirs:

We enclose herewith five preliminary copies of a Proxy Statement and form of Proxy to be used in connection with a special meeting of the shareholders of IRC, Inc., to be held January 30, 1968, to vote upon an Agreement of Merger with TRW Inc. For your convenience we have penciled in cross-references in one copy. It is hoped that such material may be mailed to shareholders about December 27th. We are advised by the printer that it will require approximately five business days to print the material for mailing after clearance from your Commission.

It has not yet been determined whether personal solicitation of proxies will be necessary, and that determination will not be made until after the proxy material is mailed. If it is decided to use personal solicitation, copies of written instructions and any other material used in connection therewith will be filed with the Commission as required by Regulation 240.14a-6(b).

To anticipate certain questions you may have, we make the following comments:

1. There is, to the best of our knowledge, no litigation, pending or threatened, concerning the merger. See page 35 of the Proxy Statement for information concerning certain Department of Justice inquiries.

2. There are, to the best of our knowledge, no brochures or other recent reports concerning either IRC or TRW, or any appraisals of property of either company, prepared in connection with the merger.

3. There is no affiliation between any of the directors, officers or substantial stockholders of IRC or TRW.

4. Neither IRC nor TRW owns any stock in the other.

5. All of the directors of IRC were present at the board meeting of September 29, 1967, at which acquisition proposals from

COPY

a number of other corporations, as well as the TRW proposal, were considered; and they voted unanimously in favor of proceeding with negotiations with TRW and not with any other corporation. All of the directors were also present at the meeting of the Board of IRC which convened on October 31st, and unanimously approved in principle an Agreement of Merger with TRW. At that time all members had reviewed a draft of an Agreement of Merger substantially in the form finally adopted but not in completely definitive form. This meeting was reconvened on November 13th to adopt the Agreement of Merger in definitive form. The reconvened meeting was attended by all but three directors. All directors present approved the plan.

6. With respect to the TRW meetings, all of the directors of TRW except one were present at a Board meeting held on October 24, 1967, at which the proposal to merge with IRC was fully considered. The directors were unanimously in favor of proceeding with such negotiations. Since the agreement was not in definitive form, the meeting was adjourned and reconvened on November 16th, at which time five members, constituting a quorum, were present and unanimously approved the agreement in definitive form.

7. The following officers or directors of IRC have within the last six months bought the following number of shares of stock of IRC on the following dates:

D. Kysman	750 shares	November 8, 1967
W. H. Powell	1060 shares	November 10, 1967
J. E. Dunmer	1170 shares	October 3, 1967
J. B. Henry	500 shares	August 21, 1967
E. A. Stevens	2080 shares	November 13, 1967
J. Isken	250 shares	August 8, 1967
B. R. Spiegel	100 shares	November 9, 1967
E. S. Weyl	2080 shares	June 28, 1967

All of such purchases have been pursuant to stock options granted more than six months prior to the purchase. To the best of IRC's knowledge, no substantial stockholder of IRC has bought any stock of either company, nor has any officer or director of IRC bought any stock of TRW within the past six months.

Because the officers and directors of TRW are scattered, it has not been possible to obtain information concerning any possible purchases by them within the past six months, but such information will be furnished by a supplemental letter as soon as available.

8. A complete history of the negotiations and a statement concerning finders' fees will be furnished to the Commission as

COPY

soon as possible, which it is anticipated will be next week. The reason such information cannot be given at this time is that one of the principal participants in the negotiations on behalf of TRW is absent from the country, and in the interest of achieving absolute accuracy it is felt desirable to await his return to check the material.

Very truly yours,

Richard G. Dill

RGD
Enclosures

COPY

IRC B. C.
30.

IRC

BARRY R. SPIEGEL
~~SECRETARY~~

February 21, 1968

Jones, Day, Cockley & Reavis
1750 Union Commerce Bldg.
Cleveland, Ohio 44115

Attention: Leigh B. Trevor, Esq.

Dear Sirs:

As Secretary of IRC, Inc. (a Delaware Corporation) at the time that it was merged into TRW Inc. on February 19, 1968, I wish to advise you that stock certificates of IRC were validly issued and outstanding at the time of merger which bear the name International Resistance Company (a Delaware Corporation) as the issuer, as well as certificates showing IRC, Inc. as issuer. The International Resistance Company certificates are share for share equivalent to those issued in the name of IRC, Inc. The Corporation changed its name from International Resistance Company to IRC, Inc. on December 15, 1965, but did not call in any of its outstanding stock certificates. Therefore, all certificates issued by the Corporation up to that date and for a short period beyond it, will bear the name International Resistance Company, whereas those issued subsequently are in the name of IRC, Inc.

Very truly yours,

Barry R. Spiegel

BRSpiegel/ab

cc: Paul W. Schuette, Secretary
TRW Inc.

R. J. Leaver, Esq.

R. C. Bull, Esq.

IRC, Inc. merged into and became an unincorporated division of TRW Inc., an Ohio corporation, effective February 19, 1968.

IRC, INC. 401 NORTH BROAD STREET · PHILADELPHIA, PA. 19108

BEFORE THE
DEPARTMENT OF INVESTMENT
DIVISION OF CORPORATIONS
OF THE
STATE OF CALIFORNIA

In the matter of the application of

TRW INC.

for a permit authorizing the sale and issuance of securities

PERMIT

File No. 65149LA

Receipt No. 411956

This Permit Does Not Constitute a Recommendation or Endorsement of the Securities Permitted To Be Issued, But Is Permissive Only

TRW INC.,

an Ohio corporation, is hereby authorized to sell and issue its securities, pursuant to Sections 25518 and 25519 of the Corporations Code, as hereinbelow set forth:

1. To sell and issue the securities authorized to be sold and issued by the permit heretofore issued on February 19, 1968, provided that this authority is to be effective simultaneously with the filing of the Agreements of Merger referred to in issuance paragraph 1 and 4 and condition (a) of said permit, in the respective offices of the Secretaries of State of the States of Ohio and Delaware, insofar as the filing of said Agreements is a necessary prerequisite to the issuance of any or all of the securities authorized to be sold and issued by said February 19, 1968 permit.

TRW-MGR-0715

Dated: Los Angeles, California

MARCH 27 1968

ROBERT H. VOLK
Commissioner of Corporations

By

MICHAEL J. BRODY
Senior Corporations Counsel

ABR/ec

CORP 10

10055-209 8-67 50M OSP

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

(216-621-5800)

August 15, 1968

IN WASHINGTON:
REAVIS, POGUE, NEAL & ROSE
1100 CONNECTICUT AVE. 20036
(202-293-2030)

42-meh-rsd

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Gentlemen:

We acted as your counsel in connection with the mergers of IRC, Inc. and United-Carr Incorporated on February 19, 1968. In our opinion, neither of such mergers was required to be approved by the shareholders of TRW Inc.

As your counsel, we are familiar with the Agreement of Merger dated June 11, 1968 between TRW Inc. and United-Greenfield Corporation, and the proposed Notice of Special Meeting of Stockholders of United-Greenfield Corporation to consider a proposal to adopt such Agreement and the accompanying Proxy Statement (draft of July 17, 1968, with changes as proposed for submission for review by the Securities and Exchange Commission staff today). In our opinion, the merger of United-Greenfield Corporation into TRW Inc. pursuant to such Agreement of Merger as contemplated by such Notice of Meeting and Proxy Statement is not required to be approved by the shareholders of TRW Inc.

Very truly yours,

Jones, Day, Cockley & Reavis

Jones, Day, Cockley & Reavis

Original in Opinion File

TRW-MGR-0716

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

(216-621-5800)

February 21, 1968

IN WASHINGTON:
REAVIS, POGUE, NEAL & ROSE
1100 CONNECTICUT AVE 20036
(202-293-2030)

165-kam
C-2839
C-2816

P. W. Schuette, Esq.
Secretary
TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

Re: IRC and United-Carr

Dear Paul:

Enclosed herewith is a copy of a letter dated February 19, 1968 which I have received from Mr. Franklin Eyster of Messrs. Richards, Layton & Finger. Also enclosed are the Original Short Certificates from the Recorder of Deeds for New Castle County, Delaware which he referred to in such letter. The Certificates should be included in the official records of the Company relating to these transactions.

Sincerely yours,

Leigh B. Trevor

Encl.

State of Delaware
New Castle County } ss.

I, Leo J. Dugan, Jr., *Recorder of*

Deeds for New Castle County, Delaware, do hereby certify that Certified Copy of

Certificate of Agreement of Merger of the "UNITED-CARR INCORPORATED (DEL.)", merging with and into the "TRW INC. (OHIO)", under the name of "TRW INC. (OHIO)"

was received for record in this office on February 19, 1968 at 3:00 P.M.

and the same appears of record in the Recorder's Office for said County.

Witness my hand and Official Seal, this nineteenth *day of*

February, *A. D.* 1968.

Leo J. Dugan Jr.
Recorder.

TRW-MGR-0718

State of Delaware
New Castle County } ss.

I, Leo J. Dugan, Jr., *Recorder of Deeds for New Castle County, Delaware, do hereby certify that Certified Copy of*

Certificate of Agreement of Merger of the "IRC, INC.(Del.)", merging with and into the "TRW INC. (OHIO)", under the name of "TRW INC. (OHIO)"

was received for record in this office on February 19, 1968 at 3:00 P.M.

and the same appears of record in the Recorder's Office for said County.

Witness my hand and Official Seal, this nineteenth *day of* February, *A. D.* 1968.

Leo J. Dugan Jr.
Recorder.

TRW-MGR-0719

State of Delaware
New Castle County } ss.

I, Leo J. Dugan, Jr., *Recorder of Deeds for New Castle County, Delaware, do hereby certify that Certified Copy of*

Certificate of Amendment of the "NEW UNITED-CARR INCORPORATED"

was received for record in this office on February 19, 1968 at 3:00 P.M.

and the same appears of record in the Recorder's Office for said County.

Witness my hand and Official Seal, this nineteenth *day of*

February, *A. D.* 1968.

Leo J. Dugan Jr.

Recorder.

TRW-MGR-0720

RICHARDS, LAYTON & FINGER
4072 DU PONT BUILDING
WILMINGTON, DELAWARE 19801
TELEPHONE (302) 658-6541

ROBT. H. RICHARDS
1897-1951

ROBT. H. RICHARDS, JR.
HENRY M. CANBY
LOUIS J. FINGER
RODNEY M. LAYTON
EDMUND N. CARPENTER, II
JAMES T. MCKINSTRY
E. NORMAN VEASEY
MAX S. BELL, JR.
WILLIAM E. WIGGIN
RICHARD J. ABRAMS
CHARLES F. RICHARDS, JR.
THOMAS P. SWEENEY

JOHN E. LEWIS

R. H. RICHARDS, III
JANE R. ROTH
DAVID T. DANA, III
FRANKLIN S. EYSTER, II
MARTIN I. LUBAROFF
RICHARD F. BALOTTI

AARON FINGER
COUNSEL

February 19, 1968

Mr. Leigh B. Trevor
Jones, Day, Cockley & Reavis
1750 Union Commerce Building
Cleveland, Ohio 44115

Re: Merger of United-Carr Incorporated and IRC, Inc. into TRW, Inc.

Dear Mr. Trevor:

I enclose the following Short Certificates from the Recorder of Deeds for New Castle County, Delaware, which show that the merger agreements between the above corporations as well as the Certificate of Amendment of the New United-Carr Incorporated were filed with the Recorder at 3:00 P.M. today.

1. Certificate of Agreement of Merger of the "United-Carr Incorporated (Del.)", merging with and into the "TRW, Inc. (Ohio)", under the name of "TRW, Inc. (Ohio)"

2. Certificate of Agreement of Merger of the "IRC, Inc. (Del.)", merging with and into the "TRW, Inc. (Ohio)", under the name of "TRW, Inc. (Ohio)"

3. Certificate of Amendment of the "New United-Carr Incorporated"

Copies to C.28116
Messrs. ~~Schwette~~
Leaver
Steinbrunk
LBT
Bull
MacCrellish

TRW-MGR-0721

I hope that everything has gone well and please do not hesitate to contact us if we can be of any further assistance.

Very truly yours,

Franklin S. Eyster, II

FSE:cco
Enclosures

STATE OF DELAWARE – SECRETARY OF STATE – DOVER, DEL. 19901

STATEMENT OF FRANCHISE TAX DUE

MAY 15, 1966

NOTICE

No. 49321

The franchise tax law has been amended to provide that checks should be made payable to SECRETARY OF STATE OF DELAWARE and may be forwarded to your Delaware Resident Agent for transmittal.

PAID

SEP 23 1968

SECRETARY OF STATE

IRC, INC. 1828-5

MERGED INTO: TRW INC. (OHIO CO.)

Resident Agent THE CORP.TR.CO.

Shares Authorized: Par No Par

Franchise Tax for the Year 1965, Assessed April 15, 1966	Tax 1967	$5,170.00
Penalty for failure to file 1965 Report		
Franchise Tax for the Year 1964, Assessed April 1, 1965		
Penalty for failure to file 1964 Report		
Penalty Interest @ 1% per month From To	DISS: 2-19-68	1,115.72
		$6,285.72

DUE DATE: All taxes not paid before July 1st next following date of assessment, are liable to INTEREST PENALTY: of one per centum of amount per month from said July 1st, until date of payment. This penalty should be included when mailing remittance. Receipt will not be issued.

TRW-MGR-0723

EXPLANATION OF BASIS OF TAX
FOR THE YEAR 1965 AND SUBSEQUENT YEARS

The per share basis is as follows:

No. of Shares	Tax
1,000	$10.00
3,000	22.00
5,000	27.50
10,000	55.00
Each additional 10,000 or fraction thereof	27.50

(1) The basis for assessment for all corporations having an authorized capital consisting exclusively of no par shares is the share basis, as set forth above.

(2) The basis for assessment for all corporations having shares of par value which have submitted statement of total gross assets in the annual report will be either the per share basis, as above, or the assumed par value basis, whichever produces the LESSER TAX.

The assumed par value basis is as follows:

Divide total assets by total issued shares of all classes. If quotient is greater than par value of share of any class, multiply total authorized shares of that class by said quotient. If quotient is less than par value of any class, multiply total authorized shares of that class by par value. The tax is at the rate of $110 per million or fraction thereof, on the total amounts above ascertained. If less than one million the tax is prorated.

(3) All corporations which are regulated investment companies as defined by Section 851 of the Act of Congress commonly called "The Revenue Act of 1954", as now existing or as hereafter amended, shall pay to the Secretary of State as an annual franchise tax, a tax computed either under paragraph (1) hereof, or a tax computed under paragraph (2) hereof, or a tax at the rate of One Hundred Sixty-five Dollars per annum for each One Million Dollars or fraction thereof in excess of One Million Dollars, of the average gross assets thereof during the taxable year, whichever be the least. Said average assets for the purpose of this section shall be taken to be the mean of the gross assets on January 1 and December 31 of the taxable year. Any corporation electing to pay a tax under this proviso shall submit to the Secretary of State at the time of filing its annual report as required by Section 502 of Chapter 5 a statement under oath made by its President, a Vice-President, its Treasurer or Secretary, certifying that such corporation is a regulated investment company as above defined, and stating the amount of its assets on January 1 and December 31 of the taxable year, and the mean thereof.

Any apparent error in your bill can be taken up either with your resident agent or this department.

JONES, DAY, COCKLEY & REAVIS

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

(216-621-5800)

IN WASHINGTON:
REAVIS, POGUE, NEAL & ROSE
1100 CONNECTICUT AVE. 20036
(202-293-2030)

194-MAS
C-3289

March 29, 1968

Mr. P. W. Schuette
Secretary
TRW Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Re: IRC Franchise Tax Receipt

Dear Mr. Schuette:

Enclosed herewith for the official records of the Corporation is a properly issued copy of the Delaware Franchise Tax Receipt for IRC. As you recall, a previously issued receipt incorrectly recited that IRC had been merged into North American Electronic.

Sincerely yours,

Bill

William H. Steinbrink

Enclosure

TRW ELECTRONICS

EXECUTIVE OFFICES

January 3, 1968

Leigh B. Trevor, Esquire
Jones, Day, Cockley & Reavis
1750 Union Commerce Building
Cleveland, Ohio 44115

Re: TRW - IRC

Dear Mr. Trevor:

With reference to your letter to Mr. Webb dated December 11, 1967, we are enclosing the original and one copy of the Chicago Telephone Supply Corporation letter from TRW Inc. to IRC, Inc. duly executed by Mr. Webb.

We wish to apologize for the delay in returning this document to you. While I was on vacation we had a temporary girl who, inadvertently, filed the papers instead of returning them to you.

Thank you for your consideration in this matter.

Very truly yours,

Joan Freeman

(Miss) Joan Freeman
Secretary to R. J. Leaver
General Counsel

jf
Enc.
cc: E. E. Ford (Enc.)

TRW INC. · 1100 GLENDON AVENUE · SUITE 835 · LOS ANGELES, CALIFORNIA 90024 · (213) 477-8501

TRW Inc.
23555 Euclid Avenue
Euclid, Ohio 44117

December 11, 1967

IRC, Inc.
401 North Broad Street
Philadelphia, Pennsylvania 19108

Attn: Edward S. Weyl, Esq.
Chairman of the Board of Directors

Dear Mr. Weyl:

By letter dated December 8, 1967 from the Secretary of IRC to Mr. Trevor of Messrs. Jones, Day, Cockley & Reavis, our counsel, you have supplied copies of two forms of the Agreement made as of the 8th day of April, 1959 between Chicago Telephone Supply Corporation and yourselves. One of such forms appears to be a copy of the CTS Agreement as originally signed and the other appears to be a composite of the CTS Agreement or Agreements as in effect on December 8, 1967 (the "CTS Agreement").

This is to advise you that we are willing to, and do hereby, add reference to the CTS Agreement to the list of contracts, Schedule V to the Agreement of Merger, at the end of Section J thereof, which Schedule you have delivered to us.

We, however, wish to make an appropriate investigation of this recently discovered situation and in that connection would appreciate your furnishing to us at your early convenience, initialed by the Secretary of the Company, a conformed copy of the CTS Agreement as presently in effect, together with all exhibits and/or schedules thereto.

It is agreed that the addition to the Schedule referred to above does not involve any waiver of any provision of the Agreement of Merger.

Very truly yours,

TRW Inc.

By _____
J. S. Webb
Executive Vice President

The foregoing is acceptable to us.

IRC, Inc.

By _____
Chairman of the
Board of Directors

December 11, 1967

TRW-MGR-0727

36

JONES, DAY, COCKLEY & REAVIS

COPY

1750 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

February 9, 1968

165-kam
C-2839

AIR MAIL

Richard C. Bull, Esq.
White and Williams
19th Floor
Land Title Building
Philadelphia, Pennsylvania 19110

Re: TRW - IRC

Dear Dick:

I confirm that the TRW Amended Articles have been filed with the Secretary of State of Ohio today in conformity with Event (f) on the Timetable.

We have anticipated Event (g) for February 15, 1968 by mailing the Form S-A Registration Statement to the Securities and Exchange Commission and the New York Stock Exchange for filing yesterday.

Sincerely yours,

Leigh B. Trevor

bcc: Messrs. Ford
Leaver
Schuette
Colborn
Bodurtha
Steinbrink

TRW-MGR-0728

37

JONES, DAY, COCKLEY & REAVIS
1750 UNION COMMERCE BUILDING

COPY

CLEVELAND, OHIO 44115

February 9, 1968
(No. 2)

165-kam
C-2816

AIR MAIL

William H. MacCrellish, Jr., Esq.
Boyd, MacCrellish & Weeks
75 Federal Street
Boston, Massachusetts 02110

Re: TRW - United-Carr

Dear Bill:

I confirm that the TRW Amended Articles have been filed with the Secretary of State of Ohio today in conformity with Event (f) on the Timetable.

We have anticipated Event (g) for February 15, 1968 by mailing the Form 8-A Registration Statement to the Securities and Exchange Commission and the New York Stock Exchange for filing yesterday.

Sincerely yours,

Leigh B. Trevor

bcc: Messrs. Ford
Schuette
Colborn
Bodurtha
Steinbrink

IRC Bulk

CONTRACTUAL DOCUMENT TRANSMITTAL SHEET

1. TO:	2. FROM:	3. DATE
TRW Inc. 23555 Euclid Avenue Euclid, OH 44117	Commander, Defense Electronics Supply Center, ATTN: DESC-PEM Dayton, OH 45401	24 Mar 1970 4. SERIAL NO.

5. DOCUMENTS LISTED BELOW ARE FOR:

	ADMIN CONTR OFFICER		ADMIN PURPOSES		TRANSPORTATION OFFICER		REDISTRIBUTION
	ACCTG AND FIN OFFICE		INSPECTION		PAYMENT		NECESSARY ACTION

6. DOCUMENTS FORWARDED

CONTRACT NO.	TYPE DOCUMENT	NUMBER OF COPIES		
		SIGNED OR AUTHENTICATED	OFFICIAL	FACSIMILE
See Sxhibit "A" attached	Novation Agreement Transferor: IRC Inc. Transferee: TRW Inc.			

TRW-MGR-0730

7. ACKNOWLEDGEMENT OF RECEIPT	8. RECEIPT IS ACKNOWLEDGED *(Signature, Title, Date)*
[XX] IS [ ] IS NOT REQUIRED.	R W Schuette, Secretary, March 31, 1970
9. SUSPENSE DATE	

AFPI FORM OCT 59 31 PREVIOUS EDITIONS OF THIS FORM MAY BE USED. AF-WP-O-AUG 63 596M

A G R E E M E N T

This AGREEMENT, entered into as of February 19, 1968, by and between IRC, Inc., a corporation duly organized and existing under the laws of the State of Delaware with its principal office at 401 North Broad Street, Philadelphia, Pennsylvania (hereinafter referred to as the "Transferor"); TRW Inc., a corporation duly organized and existing under the laws of the State of Ohio with its principal office in the City of Euclid, Ohio (hereinafter referred to as the "Transferee"); and the UNITED STATES OF AMERICA (hereinafter referred to as the "Government").

WITNESSETH:

1. WHEREAS, The Government, represented by various Contracting Officers of the Department of Defense, has entered into certain contracts and purchase orders with the Transferor, as set forth in the attached list marked "Exhibit A" to this Agreement and herein incorporated by reference; and the term "the contracts" as hereinafter used means the above contracts and purchase orders, and all other contracts and purchase orders, including modifications thereto, heretofore made between the Government, represented by various Contracting Officers of the above named Department, and the Transferor (whether or not performance and payment have been completed and releases executed, if the Government or the Transferor has any remaining rights, duties or obligations thereunder),

and including modifications thereto hereafter made between the Government and the Transferee;

2. WHEREAS, as of February 19, 1968, the Transferor assigned, conveyed, and transferred to the Transferee all the assets of the Transferor by virtue of the filing of an Agreement of Merger between the Transferor and the Transferee with the Secretaries of State of the States of Delaware and Ohio;

3. WHEREAS, the Transferee, by virtue of said assignment, conveyance and transfer, has acquired all the assets of the Transferor;

4. WHEREAS, by virtue of said assignment, conveyance and transfer, the Transferee has assumed all the duties, obligations and liabilities of the Transferor under the Contracts;

5. WHEREAS, the Transferee is in a position fully to perform the Contracts, and such duties and obligations as may exist under the Contracts;

6. WHEREAS, it is consistent with the Government's interest to recognize the Transferee as the successor party to the Contracts;

7. WHEREAS, there has been filed with the Government evidence of said assignment, conveyance or transfer, as required by ASPR 1-1602(b);

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

8. The Transferor hereby confirms said assignment, conveyance and transfer to the Transferee, and does hereby release and discharge the Government from and does hereby waive, any and all claims, demands, and rights against the Government which it now has or may hereafter have in connection with the Contracts.

9. The Transferee hereby assumes, agrees to be bound by, and undertakes to perform each and every one of the terms, covenants, and conditions contained in the Contracts. The Transferee further assumes all obligations and liabilities of, and all claims and demands against, the Transferor under the Contracts, in all respects as if the Transferee were the original party to the Contracts.

10. The Transferee hereby ratifies and confirms all actions heretofore taken by the Transferor with respect to the Contracts with the same force and effect as if the action had been taken by the Transferee.

11. The Government hereby recognizes the Transferee as the Transferor's successor in interest in and to the Contracts. The Transferee hereby becomes entitled to all right, title, and interest of the Transferor in and to the Contracts in all respects as if the Transferee were the original party to the Contracts. The term "Contractor" as used in the Contracts shall be deemed to refer to the Transferee rather than to the Transferor.

12. Except as expressly provided herein, nothing in this Agreement shall be construed as a waiver of any rights of the Government against the Transferor.

13. Notwithstanding the foregoing provisions, all payments and reimbursements heretofore made by the Government to the Transferor and all other action heretofore taken by the Government, pursuant to its obligations under any of the Contracts, shall be deemed to have discharged pro tanto the Government's obligations under the Contracts. All payments and reimbursements made by the Government after the date of this Agreement in the name of or to the Transferor shall have the same force

and effect as if made to said Transferee and shall constitute a complete discharge of the Government's obligation under the Contracts, to the extent of the amounts so paid or reimbursed.

14. The Transferor and the Transferee hereby agree that the Government shall not be obligated to pay or reimburse either of them for, or otherwise give effect to, any costs, taxes or other expenses, or any increases therein, directly or indirectly arising out of or resulting from (i) said assignment, conveyance and transfer, or (ii) this Agreement, other than those which the Government, in the absence of said assignment, conveyance and transfer, of this Agreement, would have been obligated to pay or reimburse under the terms of the Contracts.

15. The Transferor hereby guarantees payment of all liabilities and the performance of all obligations which the Transferee (i) assumes under this Agreement, or (ii) may hereafter undertake under the Contracts as they may hereafter be amended or modified; and the Transferor hereby waives notice of and consents to any such amendment or modification.

16. Except as herein modified, the Contracts shall remain in full force and effect.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year first above written.

UNITED STATES OF AMERICA

By _____

Title VERNON E. YOUNG
~~Deputy Director~~
Procurement and Production

IRC, Inc.

By Daumant Kusma

(Corporate Seal)

Title Vice President

TRW Inc.

By E E Ford

(Corporate Seal)

Title Vice President

C E R T I F I C A T E

I, Barry R. Spiegel certify that I am the Secretary of IRC, Inc., named above; that Daumant Kusma , who signed this Agreement on behalf of said corporation, was then Vice President of said corporation; and that this agreement was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

Witness my hand and seal of said corporation as of the 19th day of February 1968.

(Corporate Seal) By Barry R. Spiegel

C E R T I F I C A T E

I, P. W. Schuette certify that I am the Secretary of TRW Inc., named above; that E. E. Ford , who signed this Agreement on behalf of said corporation, was then Vice President of said corporation; and that this Agreement was duly signed for and in behalf of said corporation by authority of its governing body within the scope of its corporate powers.

Witness my hand and the seal of said corporation as of the 19th day of February 1968.

(Corporate Seal) By P. W. Schuette

EXHIBIT A

IRC Division of TRW Inc.

CONTRACTS SUBJECT TO NOVATION AGREEMENT

Contracting Office	Contract Number	Total Contract Amount	Unbilled Contract Amount
U.S. Air Force Tinker Air Force Base Oaklahoma	F34601-68M-2450	$ 1,197.00	$ 1,197.00
Defense Electronics Supply Center Att: DESC CAFE 1507 Wilmington Pike Dayton, Ohio 45401	DSA900-68M-FG07	20.75	20.75
	" " GP17	1,013.00	1,013.00
	" " GA22	589.68	589.68
	" " GA26	942.00	942.00
	" " HC26	98.00	98.00
	" " HN35	237.00	237.00
	" " HL36	44.00	44.00
	" " HN39	85.00	85.00
	" " GA46	935.00	935.00
	" " FQ64	22.00	22.00
	" " FG70	26.00	26.00
	" " HN70	419.00	419.00
	" " HN74	462.00	462.00
	" " BM84	991.00	991.00
	" " FG85	418.00	418.00
	" " CU87	153.00	153.00
	" " GA87	83.00	83.00
	" " GA90	40.00	40.00
	" " GA92	89.00	89.00
	" 68C-3295	2,869.00	2,869.00
	" " 5078	4,365.00	4,365.00
	" " 6687	4,189.00	4,189.00
	" " 2512	2,508.00	2,508.00
	" 68M-BW91	994.00	994.00
	" " AJ92	1,236.00	1,236.00
	" " AV42	847.00	847.00
	" " EX23	1,386.00	1,386.00
	" " DF21	1,767.00	1,767.00
	" 67A-C794	Blanket Agreement	23,438.00
U.S. Army Electronics Command 228 S. 18th Street Philadelphia, Pa.	DA36-039-SC-40342(E)	Lease Agreement	
U.S. Army Electronics Command Fort Monmouth, New Jersey	DAAB-07-67-C-0311	46,204.00	23,488.00