

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities  
Exchange Act of 1934

Date of Report (Date of the earliest event reported)  
October 5, 2004  
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NL Industries, Inc.  
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(Exact name of Registrant as specified in its charter)

New Jersey	1-640	13-5267260
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
5430 LBJ Freeway, Suite 1700, Dallas, Texas		75240-2697
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code  
(972) 233-1700  
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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- [ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- [ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- [ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- [ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

Pursuant to a Subscription Agreement (the "Subscription Agreement") executed on October 5, 2004 but effective as of October 1, 2004, among NL Industries, Inc., a New Jersey corporation ("NL"), TIMET Finance Management Company, a Delaware corporation ("TFMC"), and CompX Group, Inc., a newly formed Delaware corporation ("CGI"), NL and TFMC initially capitalized CGI by each contributing to CGI effective October 1, 2004 the following shares (the "CompX Shares") of either class A or class B common stock, par value \$0.01 per share, of CompX International Inc., a Delaware corporation ("CompX"), and receiving in return for such initial capitalization of CGI the following shares of the common stock, par value \$0.01 per share of CGI (the "CGI Shares").

	Shares of CompX Class A Common Stock Contributed	Shares of CompX Class B Common Stock Contributed	CGI Shares Issued to such CGI Stockholder in Exchange for the CompX Shares
CGI			

Stockholder	to CGI	to CGI	Contributed
NL.....	374,000	10,000,000	10,374.00
TFMC.....	2,212,820	0	2,212.82

As a result of the initial contribution, NL and TFMC became the sole CGI stockholders and record holders of 82.4% and 17.6% of the outstanding common stock of CGI, respectively.

Pursuant to the Subscription Agreement, CGI agreed that it would not sell any of the CompX Shares contributed to CGI by TFMC (as such number of CompX Shares may be adjusted from time to time pursuant to stock splits of, stock dividends on, or recapitalizations of, such CompX Shares) pursuant to the Subscription Agreement without the express written consent of TFMC. In addition, in accordance with the Subscription Agreement, the parties entered into a Voting Agreement executed on October 5, 2004 but effective as of October 1, 2004 (the "Voting Agreement").

The terms of the Voting Agreement provide that:

- (1) NL will vote all of its CGI Shares to elect as a director of CGI one person designated in writing by TFMC;
- (2) The initial person designated by TFMC to be elected a director of CGI would be J. Landis Martin; and
- (3) The CGI board of directors would be comprised of five persons and each CGI stockholder would take or cause to be taken all action to:
  - (i) require that the certificate of incorporation and bylaws of CGI provides for a board of directors of five persons; and
  - (ii) ensure at all times that the certificate of incorporation and bylaws of CGI would not at any time be inconsistent with the provisions of the Voting Agreement.

Pursuant to CGI's certificate of incorporation (the "Certificate of Incorporation"), upon the written request of a CGI stockholder, CGI is obligated to redeem such number of the stockholder's shares of CGI common stock that the stockholder requests. The CGI stockholder is also entitled to elect to receive as part of the redemption price such number of shares of the CompX class A or class B common stock, the stockholder or its predecessor holders or assigns contributed to CGI that is equal to the product of 1,000 (equitably adjusted for any applicable stock splits of, stock dividends on, or recapitalizations of, CompX common stock) and the number of shares to be redeemed. CGI's board of directors is then obligated to determine in good faith and in its best business judgment the redemption price. Pursuant to the Certificate of Incorporation, in determining the redemption price, the board of directors shall value each share of CompX common stock held by CGI (both the CompX class A and class B shares of common stock) at the volume weighted average sales price of a share of CompX class A common stock as reported on the New York Stock Exchange composite transactions reporting system for the ten trading days ending on the day CGI receives the redemption request.

With the initial capitalization of CGI, NL and CompX became eligible to file consolidated returns of federal income taxes with Contran Corporation, a Delaware corporation and the parent of NL and CompX ("Contran"). Concurrently with the initial capitalization of CGI, CompX, NL and Contran entered into a Tax Agreement executed on October 5, 2004 but effective as of October 1, 2004 (the "Tax Agreement"). The Tax Agreement provides that NL and its qualifying subsidiaries, including CompX, compute provisions for U.S. income taxes on a separate-company basis using the tax elections made by Contran. Pursuant to the Tax Sharing Agreement and using the tax elections made by Contran, CompX will make payments to, or receive payments from NL, in amounts it would have paid to or received from the U.S. Internal Revenue Service had it not been a member of NL's consolidated tax group but instead was a separate taxpayer. Refunds to CompX are generally limited to amounts previously paid under the Tax Sharing Agreement.

The descriptions of the Subscription Agreement, the Voting Agreement, the Certificate of Incorporation and the Tax Agreement in this report are qualified in their entirety by the terms of the actual documents filed as Exhibits 99.1 through 99.4 to this report and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Item No.	Exhibit Index
99.1	Subscription Agreement executed on October 5, 2004 but effective as of October 1, 2004 among NL Industries, Inc., TIMET Finance Management Company and CompX Group, Inc. Not all of the exhibits to this Exhibit 99.1 have been filed; upon request, the registrant will furnish supplementally to the Securities and Exchange Commission a copy of the omitted exhibits.
99.2	Voting Agreement executed on October 5, 2004 but effective as of October 1, 2004 among NL Industries, Inc., TIMET Finance Management Company and CompX Group, Inc.
99.3	Certificate of Incorporation of CompX Group, Inc.
99.4	Tax Agreement executed on October 5, 2004 but effective as of October 1, 2004 among NL Industries, Inc., Contran Corporation and CompX International Inc.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NL Industries, Inc.  
(Registrant)

By: /s/ Gregory M. Swalwell  
-----  
Gregory M. Swalwell  
Vice President, Finance and  
Chief Financial Officer

Date: October 8, 2004

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Subscription Agreement executed on October 5, 2004 but effective as of October 1, 2004 among NL Industries, Inc., TIMET Finance Management Company and CompX Group, Inc. Not all of the exhibits to this Exhibit 99.1 have been filed; upon request, the registrant will furnish supplementally to the Securities and Exchange Commission a copy of the omitted exhibits.
99.2	Voting Agreement executed on October 5, 2004 but effective as of October 1, 2004 among NL Industries, Inc., TIMET Finance Management Company and CompX Group, Inc.

99.3 Certificate of Incorporation of CompX Group, Inc.

99.4 Tax Agreement dated as of October 1, 2004 among NL Industries, Inc., Contran Corporation and CompX International Inc.

SUBSCRIPTION AGREEMENT

This Subscription Agreement (the "Agreement") is executed on October 5, 2004 but effective as of October 1, 2004, among NL Industries, Inc., a New Jersey corporation ("NL"), TIMET Finance Management Company, a Delaware corporation ("TFMC" and together with NL, the "Stockholders"), and CompX Group, Inc., a Delaware corporation ("CGI").

Recitals

A. The Stockholders are beneficial owners of shares (the "CompX Shares") of either class A or class B common stock, par value \$0.01 per share, of CompX International Inc., a Delaware corporation ("CompX").

B. Each of the Stockholders wishes to subscribe for one thousandth of a share of common stock, par value \$0.01 per share, of CGI (the "CGI Shares"), for each CompX Share they contribute to CGI on the terms and subject to the conditions of this Agreement (each time a contribution is made shall be referred to as a "Transaction").

C. The certificate of incorporation and the bylaws of CGI, to which the Stockholders have agreed in connection with the transactions contemplated by this Agreement are attached as Exhibits A and B, respectively, to this Agreement.

Agreement

The parties agree as follows:

ARTICLE I.  
THE TRANSACTION

Section 1.1. Initial Contribution of CompX Shares for CGI Shares. In consideration of CGI's issuance of one thousandth of a CGI Share for each CompX Share the Stockholders contribute to CGI on the date hereof, each of NL and TFMC hereby contributes and delivers to CGI the following CompX Shares:

Stockholder	Shares of CompX Class A Common Stock	Shares of CompX Class B Common Stock	Total CompX Shares Contributed
NL.....	374,000	10,000,000	10,374,000
TFMC.....	2,212,820	0	2,212,820

Certificates representing such CompX Shares are hereby delivered accompanied by stock powers duly endorsed in blank or the holder has made an irrevocable request to transfer such CompX Shares to such brokerage accounts designated by CGI.

Section 1.2. Subsequent Contributions of CompX Shares for CGI Shares. In consideration of CGI's issuance of one thousandth of a CGI Share for each CompX Share the Stockholders may contribute to CGI in the future, each of the Stockholders may in the future contribute and deliver CompX Shares to CGI. Certificates representing such CompX Shares shall be delivered accompanied by stock powers duly endorsed in blank or the holder shall make an irrevocable request to transfer such CompX Shares to such brokerage accounts designated by CGI on the date of the respective contribution.

Section 1.3. Voting Agreement. Each of the parties as a condition to all Transactions shall execute and deliver to the other parties a Voting Agreement substantially in the form of Exhibit C attached hereto (the "Voting Agreement").

Section 1.4. Sales of CompX Shares Contributed by TFMC. CGI agrees that it will not sell any of the CompX Shares contributed to CGI by TFMC (as such number of CompX Shares may be adjusted from time to time pursuant to stock splits of, stock dividends on, or recapitalizations of, such CompX Shares) pursuant to this Agreement without the express written consent of TFMC.

ARTICLE II.  
REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS

Each of the Stockholders hereby individually represents and warrants to CGI as of the date of this Agreement, and each time a Stockholder subsequently contributes CompX Shares to CGI as though made on the date of such contribution, as follows.

Section 2.1. Authority. It is validly existing and in good standing under the laws of the state of its incorporation. It has the power and authority, without the consent or approval of any other person, to execute and deliver this Agreement and to consummate the respective Transaction. All action required to be taken by or on behalf of it to authorize the execution, delivery and performance of this Agreement and the respective Transaction has been duly and properly taken.

Section 2.2. Validity. This Agreement is duly executed and delivered by it and constitutes its lawful, valid and binding obligation, enforceable in accordance with its terms. The execution and delivery of this Agreement and the consummation of the respective Transaction by it are not prohibited by, do not violate or conflict with any provision of, and do not result in a default under (a) its charter or bylaws; (b) any material contract, agreement or other instrument to which it is a party or by which it is bound; (c) any order, writ, injunction, decree or judgment of any court or governmental agency applicable to it; or (d) any law, rule or regulation applicable to it, except in each case for such prohibitions, violations, conflicts or defaults that would not have a material adverse consequence to the respective Transaction.

Section 2.3. Ownership of CompX Shares. It is the beneficial owner of the CompX Shares it will contribute to CGI in the respective Transaction and upon consummation of the respective Transaction CGI will acquire good and marketable title to such CompX Shares free and clear of any liens, encumbrances, security interests, restrictive agreements, claims or imperfections of any nature whatsoever, other than restrictions on transfer imposed by applicable securities laws and any liens of third party lending institutions existing as of the date hereof that have been disclosed to the other parties to this Agreement.

Section 2.4. Acquisition for Investment. It is acquiring the CGI Shares issued and delivered to it in the respective Transaction for investment solely for its own account and not with a view to, or for resale in connection with, the distribution thereof. It understands that such CGI Shares are restricted securities under the Securities Act of 1933, as amended (the "Securities Act"), and that such CGI Shares must be held indefinitely unless they are registered under the Securities Act and any applicable state securities or blue sky laws or an exemption from such registration is available.

Section 2.5. Nature of Stockholder. It has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the acquisition of CGI Shares issued and delivered to it in the respective Transaction.

ARTICLE III.  
REPRESENTATIONS AND WARRANTIES OF CGI

CGI hereby represents and warrants to each of the Stockholders as of the date of this Agreement, and each time a Stockholder subsequently contributes CompX Shares to CGI as though made on the date of such contribution, as follows.

Section 3.1. Authority. It is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation. It has the corporate power and authority, without the consent or approval of any other person, to execute and deliver this Agreement and to consummate the respective Transaction. All corporate action required to be taken by or on behalf of it to authorize the execution, delivery and performance of this Agreement and the respective Transaction has been duly and properly taken.

Section 3.2. Validity. This Agreement is duly executed and delivered by it and constitutes its lawful, valid and binding obligation, enforceable in accordance with its terms. The execution and delivery of this Agreement and the consummation of the respective Transaction by it are not prohibited by, do not violate or conflict with any provision of, and do not result in a default under (a) its charter or bylaws; (b) any material contract, agreement or other instrument to which it is a party or by which it is bound; (c) any order, writ,

injunction, decree or judgment of any court or governmental agency applicable to it; or (d) any law, rule or regulation applicable to it, except in each case for such prohibitions, violations, conflicts or defaults that would not have a material adverse consequence to the respective Transaction.

Section 3.3. Issuance of CGI Shares. Upon the consummation of each Transaction, the CGI Shares issued in such Transaction will be validly issued, fully paid and non-assessable shares and the respective Stockholder receiving such shares will acquire good and marketable title to such shares free and clear of any liens, encumbrances, security interests, restrictive agreements, claims or imperfections of any nature whatsoever, other than restrictions on transfer imposed by applicable securities laws, except that NL's CGI Shares will be subject to the restrictions of the Voting Agreement.

Section 3.4. Acquisition for Investment. It is acquiring the CompX Shares contributed and delivered to it in the respective Transaction for investment solely for its own account and not with a view to, or for resale in connection with, the distribution thereof. It understands that such CompX Shares are restricted securities under the Securities Act and that such CompX Shares must be held indefinitely unless they are registered under the Securities Act and any applicable state securities or blue sky laws or an exemption from such registration is available.

Section 3.5. Nature of CGI. It has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the acquiring of the CompX Shares contributed and delivered to it in the respective Transaction.

#### ARTICLE IV. GENERAL PROVISIONS

Section 4.1. Restricted Shares. Each of the Stockholders hereby consents to the placing of a legend on any stock certificates evidencing CGI Shares issued to it in a Transaction stating that such CGI Shares are restricted securities. NL agrees to the placing of a legend on any stock certificates evidencing its CGI Shares stating that such CGI Shares are subject to the Voting Agreement.

Section 4.2. Access to Information. Each of the Stockholders shall provide CGI and its representatives access to all information with respect to the business of CompX possessed by such party and reasonably requested by CGI. CGI shall provide each of the Stockholders and its respective representatives access to all information with respect to the business of CGI possessed by CGI and reasonably requested by such Stockholder.

Section 4.3. Survival. The representations and warranties set forth in this Agreement shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.

Section 4.4. Amendment and Waiver. No amendment or waiver of any provision of this Agreement shall in any event be effective unless the same shall be in a writing referring to this Agreement and signed by the parties hereto, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 4.5. Parties and Interest. This Agreement shall bind and inure to the benefit of the parties named herein and their respective successors and assigns.

Section 4.6. Entire Agreement. This Agreement contains the entire understanding among the parties with respect to the transactions contemplated hereby and supersedes all other agreements and understandings among the parties with respect to the subject matter of this Agreement.

Section 4.7. Applicable Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the state of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the state of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the state of Delaware.

Section 4.8. Severability. If any provision of this Agreement is found to violate any statute, regulation, rule, order or decree of any governmental

authority, court, agency or exchange, such invalidity shall not be deemed to effect any other provision hereof or the validity of the remainder of this Agreement and such invalid provision shall be deemed deleted to the minimum extent necessary to cure such violation.

Section 4.9. Notice. All notices and other communications that are required to be or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or transmitted by confirmed telecopy or upon receipt after dispatch by overnight courier or by certified or registered mail, postage prepaid, to the party to whom the notice is given. Notices shall be given to the address for the respective party appearing under the party's signature to this Agreement or to such other address as such party may designate by giving notice of such change of address to the other parties to this Agreement.

Section 4.10. Headings. The sections and other headings contained in this Agreement are for reference purposes only and shall not effect in any way the meaning or interpretation of this Agreement.

Section 4.11. Counterparts. This Agreement may be executed in counterparts each of which will be an original and all of which taken together shall constitute one and the same agreement.

Section 4.12. Expenses. Except as otherwise expressly provided herein, each party to this Agreement shall pay its own costs and expenses in connection with the transactions contemplated hereby.

The parties hereto have caused this Agreement to be executed by their duly authorized officers on October 5, 2004 but effective as of October 1, 2004.

NL INDUSTRIES, INC.

By: /s/ Robert D. Graham  
-----  
Robert D. Graham, Vice President,  
General Counsel and Secretary  
  
Address: Three Lincoln Centre  
5430 LBJ Freeway, Suite 1700  
Dallas, Texas 75240-2697  
FAX: 972.448.1445  
Attention: General Counsel

TIMET FINANCE MANAGEMENT COMPANY

By: /s/ Gregory M. Swalwell  
-----  
Gregory M. Swalwell, Vice President  
  
Address: 103 Foulk Road, Suite 101  
Wilmington, Delaware 19803  
FAX: 972.448.1445  
Attention: General Counsel

COMPX GROUP, INC.

By: /s/ Robert D. Graham  
-----  
Robert D. Graham, Vice President,  
General Counsel and Secretary  
  
Address: Three Lincoln Centre  
5430 LBJ Freeway, Suite 1700  
Dallas, Texas 75240-2697



FAX: 972.448.1445  
Attention: General Counsel

## VOTING AGREEMENT

THIS VOTING AGREEMENT (this "Agreement") is executed on October 5, 2004 but effective as of October 1, 2004, among NL Industries, Inc., a New Jersey corporation ("NL"), TIMET Finance Management Company, a Delaware corporation ("TFMC" and together with NL, the "Stockholders"), and CompX Group, Inc., a Delaware corporation ("CGI"). Unless otherwise provided in this Agreement, certain capitalized terms used herein are defined in Section 8.

### Recitals

The parties hereto desire to enter into this Agreement to establish a mechanism to elect as a director of CGI one person designated in writing by TFMC.

### Agreement

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows.

Section 1. Voting for Directorship. NL agrees to vote all of its CGI Shares, and will take all other necessary or desirable actions within its control, to elect as a director of CGI one person designated in writing by TFMC. The parties agree that the initial person designated by TFMC to be elected a director of CGI is J. Landis Martin. If in the future more than one person holds TFMC's CGI Shares, such persons must jointly agree on one designee that they desire to have NL elect as a director of CGI and notify NL in writing of such designee before NL is obligated to elect such designee under this section.

Section 2. Size of Board of Directors; Governing Instruments. The Stockholders hereby agree (a) that the board of directors shall be comprised of five (5) persons as directors, and each Stockholder shall take or cause to be taken all action to require that the certificate of incorporation and bylaws of CGI shall so provide and (b) to ensure at all times that the certificate of incorporation and bylaws of CGI are not at any time inconsistent with the provisions of this Agreement.

Section 3. Impairment. NL agrees that it will not vote or otherwise consent or take action with respect to its CGI Shares to amend CGI's certificate of incorporation or bylaws in a manner that would affect the voting rights of CGI's stockholders.

Section 4. Transfer of Shares. NL agrees that the agreement relating to the voting of its CGI Shares evidenced by this Agreement shall encumber such shares, and that any permitted successor, assignee, or transferee shall take such shares subject to this Agreement. In addition, each party agrees to cause any permitted successor, assignee, or transferee of such party to become a party to this Agreement.

Section 5. Term. Unless earlier terminated by agreement of the parties, this Agreement shall remain in effect for as long as TFMC or its permitted successors, assigns and transferees hold CGI Shares.

Section 6. Legend. Each certificate evidencing NL's CGI Shares and each certificate issued in exchange for or upon the transfer of such CGI Shares (if such shares remain subject to the terms of this Agreement after such transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A VOTING AGREEMENT ("AGREEMENT") DATED AS OF OCTOBER 1, 2004 AMONG THE ISSUER OF SUCH SECURITIES (THE "ISSUER") AND THE ISSUER'S SECURITY HOLDERS. A COPY OF SUCH AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST.

The legend set forth above shall be removed from the certificates evidencing CGI Shares that cease to be subject to the terms of this Agreement or the termination of this Agreement.

Section 7. Specific Performance. NL agrees that the remedy at law for any breach by it of this Agreement will be inadequate and that, in addition to any

other remedies TFMC might have, TFMC shall be entitled, without the necessity of proving actual damages, to specific performance and injunctive relief to prevent the breach of any provisions of this Agreement.

#### Section 8. Definitions.

"Common Stock" means CGI's common stock, par value \$0.01 per share.

"Stockholder" means any stockholder of CGI who is subject to the terms of this Agreement.

"CGI Shares" means any Common Stock and any other voting securities of CGI acquired by any Stockholder. As to any particular shares constituting CGI Shares, such shares will cease to be subject to this Agreement if and when they have been acquired by CGI.

#### Section 9. Miscellaneous.

(a) Amendment and Waiver. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement will be effective against a Stockholder, unless such modification, amendment or waiver is approved in writing by such Stockholder. The failure of any party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

(b) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) Entire Agreement. This Agreement contains the entire understanding among the parties with respect to the transactions contemplated hereby and supersedes all other agreements and understandings among the parties with respect to the subject matter of this Agreement.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement will bind and inure to the benefit of and be enforceable by CGI and its successors and assigns, and the Stockholders and any subsequent holders of CGI Shares, and the respective successors and assigns of each of them, so long as they hold CGI Shares.

(e) Counterparts. This Agreement may be executed in counterparts each of which will be an original and all of which taken together shall constitute one and the same agreement.

(f) Notice. All notices and other communications that are required to be or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or transmitted by confirmed telecopy or upon receipt after dispatch by overnight courier or by certified or registered mail, postage prepaid, to the party to whom the notice is given. Notices shall be given to the address for the respective party appearing under the party's signature to this Agreement or to such other address as such party may designate by giving notice of such change of address to the other parties to this Agreement.

(g) Applicable Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the state of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the state of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the state of Delaware.

(h) Headings. The sections and other headings contained in this Agreement are for reference purposes only and shall not effect in any way the meaning or interpretation of this Agreement.

The parties hereto have caused this Agreement to be executed by their duly

authorized officers on October 5, 2004 but effective as of October 1, 2004.

NL INDUSTRIES, INC.

By: /s/ Robert D. Graham  
-----  
Robert D. Graham, Vice President,  
General Counsel and Secretary  
  
Address: Three Lincoln Centre  
5430 LBJ Freeway, Suite 1700  
Dallas, Texas 75240-2697  
FAX: 972.448.1445  
Attention: General Counsel

TIMET FINANCE MANAGEMENT COMPANY

By: /s/ Gregory M. Swalwell  
-----  
Gregory M. Swalwell, Vice President  
  
Address: 103 Foulk Road, Suite 101  
Wilmington, Delaware 19803  
FAX: 972.448.1445  
Attention: General Counsel

COMPX GROUP, INC.

By: /s/ Robert D. Graham  
-----  
Robert D. Graham, Vice President,  
General Counsel and Secretary  
  
Address: Three Lincoln Centre  
5430 LBJ Freeway, Suite 1700  
Dallas, Texas 75240-2697  
FAX: 972.448.1445  
Attention: General Counsel

CERTIFICATE OF INCORPORATION

OF

CompX Group, Inc.

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ARTICLE I.  
NAME

The name of the corporation is CompX Group, Inc. (the "Corporation").

ARTICLE II.  
REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the state of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, city of Wilmington, county of New Castle, state of Delaware 19808. The name of the Corporation's registered agent at such address is Corporation Service Company.

ARTICLE III.  
PURPOSE

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful business, act or activity for which corporations may be organized under the General Corporation Law of the state of Delaware.

ARTICLE IV.  
AUTHORIZED STOCK

The Corporation shall have authority to issue thirteen thousand (13,000) shares of common stock having a par value of one cent (\$.01) per share (the "Common Stock"). The rights of the holders of common stock are set forth below.

Section 1. Voting Rights. The holders of Common Stock shall be entitled to one vote per share on all matters to be voted on by the stockholders of the Corporation.

Section 2. Dividends. The holders of Common Stock shall be entitled to participate in such dividends and other distributions or proceeds in cash, stock or property of the Corporation ratably on a per share basis as the board of directors may declare out of assets or funds legally available therefor.

Section 3. Liquidation. The holders of Common Stock shall be entitled to participate ratably on a per share basis in all distributions to the holders of Common Stock in any liquidation, dissolution or winding up of the Corporation.

Section 4. Redemption. The Corporation shall redeem shares of Common Stock on a date (the "Redemption Date") that is on or prior to the 45th day (if such 45th day is a business day, and if not, the next successive business day) after the date (the "Redemption Notice Date") that the Corporation and each other holder of shares of Common Stock receives written notice (a "Redemption Notice") from a holder of shares of Common Stock (the "Holder") setting forth the number of shares the Holder wants the Corporation to redeem (the "Redemption Shares"). After the Redemption Notice Date, the Holder shall only be entitled to receive from the Corporation on the Redemption Date the fair market value of the Redemption Shares on the Redemption Notice Date (the "Redemption Price").

In the Redemption Notice, the Holder may elect (a "CompX Share Election") to receive as part of the Redemption Price such number of shares of the class A or class B common stock, par value \$.01 per share, of CompX International Inc., a Delaware corporation (separately, the "CompX Class A Common Stock" and the "CompX Class B Common Stock," respectively, and collectively, the "CompX Common Stock"), contributed by the Holder or its predecessor holders or assigns that is equal to the product of 1,000 (equitably adjusted for any applicable stock splits of, stock dividends on, or recapitalizations of, CompX Common Stock) and the number of Redemption Shares.

After a Redemption Notice Date but before the Redemption Date, the board of directors shall determine in good faith and in its best business judgment the Redemption Price. In determining the Redemption Price, the board of directors shall value each share of CompX Common Stock held by the Corporation on the Redemption Notice Date (both the Class A and Class B Common Stock) at the volume weighted average sales price of a share of CompX Class A Common Stock as reported on the New York Stock Exchange composite transactions reporting system for the ten trading days ending on the Redemption Notice Date, if such date is a trading day, and if not, on the immediately prior trading day (the "CompX Common Stock Value").

If the Holder does not make a CompX Share Election, on the Redemption Date the Corporation may pay the Redemption Price, in whole or in part, in cash, shares of CompX Common Stock or other property, which other property the board of directors shall value in good faith and in its best business judgment. In determining the fair market value of securities traded on an exchange that are used to pay the Redemption Price, the board of directors shall value each such security on the Redemption Notice Date at the volume weighted average sales price of such security as reported on the applicable exchange for the ten trading days ending on the Redemption Notice Date, if such date is a trading day, and if not, on the immediately prior trading day.

If shares of CompX Common Stock are used to pay all or part of the Redemption Price, on the Redemption Date:

(a) if the CompX Common Stock Value for such shares is less than or equal to the Redemption Price, the Corporation shall transfer such shares to the Holder and such additional cash or property in an amount equal in value on the Redemption Notice Date, as the board of directors determines in good faith and in its best business judgment, to the excess, if any, of the Redemption Price over the CompX Common Stock Value for such shares;

(b) if the CompX Common Stock Value for such shares is greater than the Redemption Price, the Corporation shall transfer such shares to the Holder and the Holder shall pay in cash to the Corporation an amount equal to the excess of the CompX Common Stock Value for such shares over the Redemption Price; and

(c) the Corporation shall deliver to the holder a stock certificate representing the shares of CompX Common Stock comprising the Redemption Price accompanied by a stock power duly endorsed in blank and the holder shall acquire good and marketable title to such shares free and clear of any liens, encumbrances, security interests, restrictive agreements, claims or imperfections of any nature whatsoever, other than restrictions on transfer imposed by applicable securities laws.

On the Redemption Date, the Holder shall deliver to the Corporation a stock certificate representing the Redemption Shares accompanied by a stock power duly endorsed in blank and the Corporation shall acquire good and marketable title to such shares free and clear of any liens, encumbrances, security interests, restrictive agreements, claims or imperfections of any nature whatsoever, other than restrictions on transfer imposed by applicable securities laws.

After the Redemption Notice Date, the Redemption Shares shall not be deemed to be outstanding and the Holder will only hold a contractual right from the Corporation to receive the Redemption Price.

Section 5. Protective Provision. The Corporation shall not amend this Article IV without obtaining the approval of the holders of 90% of the outstanding shares of Common Stock.

Section 6. Record Holders. The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

ARTICLE V.  
EXISTENCE

The Corporation is to have perpetual existence.

ARTICLE VI.  
BYLAWS

In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to adopt, amend or repeal the bylaws or adopt new bylaws.

ARTICLE VII.  
MEETINGS OF STOCKHOLDERS  
BOOKS OF CORPORATION  
ELECTION OF DIRECTORS

Meetings of stockholders may be held within or without the state of Delaware, as the bylaws of the Corporation may provide. The books of the Corporation may be kept outside the state of Delaware at such place or places as may be designated from time to time by the board of directors or in the bylaws of the Corporation. Election of directors need not by written ballot unless the bylaws of the Corporation so provide.

ARTICLE VIII.  
BOARD OF DIRECTORS

The number of directors constituting the board of directors of the Corporation shall be five. The Corporation shall not change the number of directors on the board of directors from five members without obtaining the approval of the holders of 90% of the outstanding shares of Common Stock.

The name and address of each of the persons to serve as a director until the first annual meeting of the stockholders or until his successor has been duly elected and qualified or his earlier resignation, removal or death, is:

Name	Mailing Address
Harold C. Simmons	Three Lincoln Centre 5430 LBJ Freeway, Suite 1700 Dallas, Texas 75240-2697
Glenn R. Simmons	Three Lincoln Centre 5430 LBJ Freeway, Suite 1700 Dallas, Texas 75240-2697
Steven L. Watson	Three Lincoln Centre 5430 LBJ Freeway, Suite 1700 Dallas, Texas 75240-2697
William J. Lindquist	Three Lincoln Centre 5430 LBJ Freeway, Suite 1700 Dallas, Texas 75240-2697
J. Landis Martin	1999 Broadway, Suite 4300 Denver, Colorado 80202

ARTICLE IX.  
INDEMNIFICATION

The Corporation shall, to the fullest extent permitted by law, indemnify any and all officers and directors of the Corporation, and may, to the fullest extent permitted by law or to such lesser extent as is determined in the discretion of the board of directors, indemnify all other persons from and against all expenses, liabilities or other matters and advance expenses to all persons whom it shall have the power to indemnify.

ARTICLE X.  
DIRECTOR LIABILITY

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for such liability as is expressly not subject to limitation under the Delaware General Corporation Law, as the same exists or may hereafter be amended to further limit or eliminate such liability. Any repeal or modification of this ARTICLE by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE XI.  
CERTAIN BUSINESS COMBINATIONS

The Corporation expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

ARTICLE XII.  
SETTLEMENTS WITH CREDITORS OR STOCKHOLDERS

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the state of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

ARTICLE XIII.  
AMENDMENT

The Corporation shall have the right, subject to any express provisions or restrictions contained in this certificate of incorporation or bylaws of the Corporation, from time to time, to amend this certificate of incorporation or any provision thereof in any manner now or hereafter provided by law, and all rights and powers of any kind conferred upon a director or stockholder of the Corporation by this certificate of incorporation or any amendment thereof are conferred subject to such right.

ARTICLE XIV.  
INCORPORATOR

The name and mailing address of the sole incorporator of the Corporation is A. Andrew R. Louis, Three Lincoln Centre, 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240-2697.

THE UNDERSIGNED, being the sole incorporator of the Corporation, for the purpose of forming a corporation pursuant to the General Corporation Law of the state of Delaware, does make this certificate to acknowledge, declare and certify that this certificate of incorporation is his act and deed and the facts stated in this certificate of incorporation are true, and accordingly executes this certificate of incorporation this 1st day of October, 2004.

/S/ A. Andrew R. Louis  
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A. Andrew R. Louis, Sole Incorporator

TAX AGREEMENT  
BETWEEN  
NL INDUSTRIES, INC.  
AND  
COMPX INTERNATIONAL INC.

This Agreement is executed on October 5, 2004 but effective as of October 1, 2004 by and among NL Industries, Inc. ("NL"), a Delaware corporation having its principal executive offices at Three Lincoln Centre, 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240, Contran Corporation ("Contran"), a Delaware corporation having its principal executive offices at Three Lincoln Centre, 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240 and CompX International Inc. ("CompX"), a Delaware corporation having its principal executive offices at Three Lincoln Centre, 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240.

Recitals

A. NL and CompX are eligible to file consolidated returns of federal income taxes and, subject to certain jurisdictional limitations, will be subject to, or continue to be subject to, combined state and local tax reporting effective October 1, 2004.

B. NL and CompX wish to provide for the allocation of liabilities, and procedures to be followed, with respect to federal income taxes of CompX and any subsidiaries of CompX and with respect to certain combined foreign, state and local taxes on the terms of this Agreement.

Agreement

The parties hereto agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms have the meanings set forth below:

(a) Code: The Internal Revenue Code of 1986, as amended, and with respect to any section thereof any successor provisions under such Code or any successor Code.

(b) Combined Foreign, State and Local Taxes: For a taxable period, the amount of all foreign, state and local taxes, together with all interest and penalties with respect thereto, for which liability is computed (1) on the basis of a combined, unitary or consolidated return (whether at the initiative of the tax authority or of the taxpayer) and (2) by reference to one or more members of the CompX Group, one or more members of the NL Group and one or more members of the Contran Group not included in the CompX Group.

(c) Contran Corporation: A Delaware corporation that is the common parent of a group of corporations electing to file a consolidated federal income tax return and certain combined state and local returns.

(d) Federal Taxes: All federal income taxes, together with all interest and penalties with respect thereto.

(e) NL Group: NL and those of its direct and indirect subsidiaries which join in the filing of a consolidated federal income tax return with its common parent, Contran (the "Contran Group"), as such Group is constituted from time to time. For purposes of this Agreement (to the extent related to Combined Foreign, State and Local Taxes), the term "NL Group" shall include all direct and indirect subsidiaries of NL with reference to which Combined Foreign, State and Local Taxes are determined.

(f) CompX Group: CompX International Inc. and each direct or indirect subsidiary of CompX which would be a member of an affiliated group, within the meaning of section 1504(a) of the Code, of which CompX was the common parent, as such Group is constituted from time to time. For purposes of this Agreement (to the extent related to Combined Foreign, State and Local Taxes), the term "CompX Group" shall include all direct and indirect subsidiaries of CompX with reference to which Combined, Foreign, State and Local taxes are determined.

(g) CompX Group Tax Liability: For a taxable period, the liability for Federal Taxes and Combined Foreign, State and Local taxes, as applicable,

that the CompX Group would have had if it were not a member of the NL Group or the Contran Group during such taxable period (or during any taxable period prior thereto), and instead filed a separate consolidated return for such taxable period (and during all prior taxable periods beginning after October 1, 2004); provided, however, that for purposes of determining such liability for a taxable period all tax elections shall be consistent with the tax elections made by Contran for such period. In making such tax elections it is understood the Contran Group will make those tax elections that are beneficial to the Contran Group on a consolidated basis. Nevertheless, Contran will use its best efforts in the case of those elections which affect the computation of the CompX Group Tax Liability, to make elections in a reasonable manner so as to minimize the CompX Group Tax Liability.

Section 2. Contran as Agent. Contran shall be the sole agent for the CompX Group in all matters relating to the CompX Group Tax Liability. The CompX Group shall not (a) terminate such agency or (b) without the consent of Contran, participate, or attempt to participate, in any matters related to the CompX Group Tax Liability, including, but not limited to, preparation or filing of, or resolution of disputes, protests or audits with the Internal Revenue Service, state or local taxing authorities concerning, the Contran Group's consolidated returns of Federal Taxes, returns of Combined Foreign, State and Local Taxes or the CompX Group Tax Liability with respect thereto for any taxable period beginning after October 1, 2004. The CompX Group shall cooperate fully in providing Contran with all information and documents necessary or desirable to enable Contran to perform its obligations under this Section, including completion of Internal Revenue Service and state or local tax audits in connection with such CompX Group Tax Liability and determination of the proper liability for such CompX Group Tax Liability.

Section 3. Liability for Taxes; Refunds.

(a) NL, as the common parent of the CompX Group, shall be responsible for, and shall pay to Contran or a taxing authority, as applicable, the consolidated tax liability for the NL Group and has the sole right to any refunds received from Contran or a taxing authority, as applicable, subject to the provisions of Sections 5 and 6 of this Agreement.

(b) Notwithstanding any other provision of this Agreement, CompX and each subsidiary of CompX which is a member of the CompX Group shall be severally liable to NL for the CompX Group Tax Liability.

(c) CompX shall indemnify NL and hold it and the NL Group other than the CompX Group, harmless from and against any deficiency in the CompX Group Tax Liability that may be due to NL.

(d) NL shall indemnify CompX and hold it and the CompX Group harmless from and against any Federal Taxes and Combined Foreign, State and Local Taxes attributable to the NL Group or any other member of the Contran Group, other than the CompX Group, as such taxes are determined under this and other tax sharing agreements.

Section 4. Tax Returns. NL shall file on behalf of the CompX Group any and all federal, foreign, state and local tax returns that are required as they pertain to the CompX Group Tax Liability. The CompX Group, at NL's request, shall join in any applicable consolidated returns of Federal Taxes and any returns of Combined State and Local Taxes (for which returns have not been theretofore filed) and execute its consent to each such filing on any form as may be prescribed for such consent if such consent is required. The decision of NL's Tax Director (or any other officer so designated by NL) with responsibility for tax matters shall, subject to the provisions of this Agreement, be binding in any dispute between NL and the CompX Group as to what tax position should be taken with respect to any item or transaction of the CompX Group. The preceding sentence is limited to the tax positions that affect the CompX Group Tax Liability and the combined NL Group and Contran Group. In addition, NL and members of the NL Group, including CompX and members of the CompX Group, shall provide each other with such cooperation, assistance and information as each of them may request of the other with respect to the filing of any tax return, amended return, claim for refund or other document with any taxing authority. CompX shall be solely responsible for all taxes due for the CompX Group with respect to tax returns filed by CompX or a member of the CompX Group that are required to be filed on a separate company basis, independent of NL.

Section 5. Payment of CompX Group Tax Liability for Federal Taxes. On or before each date, as determined under section 6655 of the Code, for payment of an installment of estimated Federal Taxes, CompX shall pay to NL an amount equal to the installment which the CompX Group would have been required to pay as an estimated payment of Federal Taxes to the Internal Revenue Service if it were filing a separate consolidated return in respect of the CompX Group Tax Liability. Any balance owed with respect to the CompX Group Tax Liability for such taxable period shall be paid to NL on or before the 15th day of the third month after the close of such taxable period. If it is not possible to determine the amount of such balance on or before such day, (a) a reasonable estimate thereof shall be paid on or before such day, (b) the amount of such balance shall be finally determined on or before the earlier of; (i) the 15th day of the ninth month after the close of such taxable period and (ii) the date on which the consolidated tax return containing the CompX Group for such period is filed with the Internal Revenue Service, and (c) any difference between the amount so determined and the estimated amount paid shall; (i) in the case of an underpayment, be promptly paid to NL and (ii) in the case of an overpayment, be promptly refunded or applied against the estimated CompX Group Tax Liability for the immediately following tax period, at the option of NL. If the overpayment is not applied to the immediately following tax period, such overpayment shall be promptly refunded to the CompX Group. As between the parties to this Agreement, the CompX Group shall be solely responsible for the CompX Group Tax Liability and shall have no responsibility for Federal Taxes of the NL Group or the Contran Group other than payment of the CompX Group Tax Liability in accordance with the terms of this Agreement.

Section 6. Refunds for CompX Group Losses and Credits for Federal Taxes. If the calculation with respect to the CompX Group Tax Liability for Federal Taxes results in a net operating loss ("NOL") for the current tax period that, in the absence of a Code Section 172(b)(3) election made by Contran, is carried back under Code Sections 172 and 1502 to a prior taxable period or periods of the CompX Group with respect to which the CompX Group previously made payments to NL, then, in that event, NL shall pay (or credit) CompX an amount equal to the tax refund to which the CompX Group would have been entitled had the CompX Group filed a separate consolidated federal income tax return for such year (but not in excess of the net aggregate amount of the CompX Group Tax Liability paid to NL with respect to the preceding two taxable periods). If the calculation with respect to the CompX Group Tax Liability results in an NOL for the current tax period, that subject to the Code Section 172(b)(3) election made by Contran, is not carried back under Code Sections 172 and 1502 to a prior taxable period or periods of the CompX Group with respect to which CompX made payments to NL or is not carried back because the Contran Group does not have a consolidated net operating loss for the current tax period, then, in that event such NOL shall be an NOL carryover to be used in computing the CompX Group Tax Liability for future taxable periods, under the law applicable to NOL carryovers in general, as such law applies to the relevant taxable period. Furthermore, if the CompX Group would have been entitled to a refund of Federal Taxes for any year had the CompX Group filed a separate consolidated federal income tax return for the loss year and the carryback year, NL shall pay to CompX the amount which CompX would have received as a refund from the Internal Revenue Service. Payments made pursuant to this Section 6 shall be made on the date that Contran (or any successor common parent of a tax group to which the NL Group is a member) files its consolidated federal income tax return for the taxable period involved. Principles similar to those discussed in this Section 6 shall apply in the case of the utilization of all CompX Group loss and credit carrybacks and carryovers.

Section 7. Payment of CompX Group Tax Liability for Foreign, State and Local Taxes. The foregoing principles contained in Sections 5 and 6 shall apply in similar fashion to any consolidated or combined foreign, state or other local income tax returns, containing any member of the NL Group and any member of the CompX Group that is not also a member of the NL Group, which may be filed.

Section 8. Subsequent Adjustments. If any settlement with the Internal Revenue Service, foreign, state or local tax authority or court decision which has become final results in any adjustment to any item of income, deduction, loss or credit to the NL Group in respect of any taxable period subject to this Agreement, which, in any such case, affects or relates to any member of the CompX Group as constituted during such taxable period, the CompX Tax Group Liability shall be redetermined to give effect to such adjustment as if it had been made as part of or reflected in the original computation of the CompX Tax Group Liability and proper adjustment of amounts paid or owing hereunder in respect of such liability and allocation shall be promptly made in light thereof.

Section 9. Amendments. This Agreement may be amended, modified, superseded or cancelled, and any of the terms, covenants, or conditions hereof may be waived, only by a written instrument specifically referring to this Agreement and executed by both parties (or, in the case of a waiver, by or on behalf of the party waiving compliance). The failure of either party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right at a later time to enforce the same. No waiver by either party of any condition, or of any breach of any term or covenant, contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach, or a waiver of any other condition or of any breach of any other term or covenant.

Section 10. Retention of Records. NL shall retain all tax returns, tax reports, related workpapers and all schedules (along with all documents that pertain to any such tax returns, reports or workpapers) that relate to a taxable period in which the CompX Group is included in a consolidated or combined tax return with NL. NL shall make such documents available to CompX at CompX's request. NL shall not dispose of such documents without the permission of CompX.

Section 11. Headings. The headings of this Agreement are for convenience of reference only, and shall not in any way affect the meaning or interpretation of this Agreement.

Section 12. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware without regard to its conflicts of laws provisions.

Section 13. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute but one agreement.

Section 14. Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective subsidiaries, and their respective successors and assigns.

Section 15. Effective Date. This Agreement shall be effective as of October 1, 2004.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on October 5, 2004 but effective October 1, 2004.

NL INDUSTRIES, INC.

By: /s/ Kelly D. Luttmer  
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Kelly D. Luttmer  
Tax Director

[Seal]

ATTEST:

/s/ A. Andrew R. Louis  
-----  
Assistant Secretary,  
NL Industries, Inc.

CONTRAN CORPORATION

By: /s/ William J. Lindquist  
-----  
William J. Lindquist  
Senior Vice President

[Seal]

ATTEST:

/s/ A. Andrew R. Louis  
-----  
Secretary,  
Contran Corporation

COMPX INTERNATIONAL INC.

By: /s/ Darryl R. Halbert  
-----  
Darryl R. Halbert  
Vice President, Chief Financial  
Officer and Controller

[Seal]

ATTEST:

/s/ A. Andrew R. Louis  
-----  
Secretary,  
CompX International Inc.