

April 11, 1995
VIA ELECTRONIC TRANSMISSION

Securities & Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Amendment No. 51 to Schedule 13D
filed by Valhi, Inc., et al.
regarding the Common Stock of NL Industries, Inc.

Ladies/Gentlemen:

On behalf of Valhi, Inc., electronically transmitted herewith is a filing pursuant to the provisions of the Securities and Exchange Act of 1934, as amended, of the above-referenced Amendment No. 51 to Schedule 13D.

Copies of the transmission are being sent to both the New York Stock Exchange, Inc., the Pacific Stock Exchange Incorporated and NL Industries, Inc.

If you should have any questions regarding this filing, please do not hesitate to call the undersigned at (214) 450-4216.

Very truly yours,

/s/ Steven L. Watson

Steven L. Watson
Vice President and Secretary

cc: New York Stock Exchange, Inc.
Pacific Stock Exchange Incorporated
NL Industries, Inc.
Bartlit Beck Herman Palenchar & Scott

GUARANTEE

March 24, 1995

Congress Financial Corporation (Central)
100 South Wacker Drive, Suite 1940
Chicago, Illinois 60606

Re: Titanium Metals Corporation, a Delaware Corporation ("Borrower")

Gentlemen:

Congress Financial Corporation (Central) ("Lender") and Borrower have entered into certain financing arrangements pursuant to which Lender may make loans and advances and provide other financial accommodations to Borrower as set forth in the Amended and Restated Loan and Security Agreement, dated as of the date hereof, by and between Borrower and Lender (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement"), and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Guarantee (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements").

Due to the close business and financial relationships between Borrower and the undersigned ("Guarantor"), in consideration of the benefits which will accrue to Guarantor and as an inducement for and in consideration of Lender making loans and advances and providing other financial accommodations to Borrower pursuant to the Loan Agreement and the other Financing Agreements, Guarantor hereby agrees in favor of Lender as follows:

1. Guarantee.

(a) Guarantor absolutely and unconditionally guarantees and agrees to be liable for the full and indefeasible payment and performance when due of the following (all of which are collectively referred to herein as the "Guaranteed Obligations"): (i) all obligations, liabilities and indebtedness of any kind, nature and description of Borrower to Lender and/or its affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising in connection with the Term Loan-B (as defined in the Financing Agreements) whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Borrower under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts, which would accrue and become due but for the commencement of such case and including loans, interest, fees, charges and expenses related thereto and all other obligations of Borrower or its successors to Lender arising after the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Lender and (ii) all expenses (including, without limitation, attorneys' fees and legal expenses) incurred by Lender in connection with the preparation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of Borrower's obligations, liabilities and indebtedness as aforesaid to Lender, the rights of Lender in any collateral or under this Guarantee and all other Financing Agreements or in any way involving claims by or against Lender directly or indirectly arising out of or related to the relationships between Borrower, Guarantor or any other Obligor (as hereinafter defined) and Lender, whether such expenses are incurred before, during or after the initial or any renewal term of the Loan Agreement and the other Financing Agreements or after the commencement of any case with respect to Borrower or Guarantor under the United States Bankruptcy Code or any similar statute. Notwithstanding anything to the contrary contained in this Guarantee, the liability of the Guarantor

hereunder shall not exceed the sum of (i) Five Million Dollars (\$5,000,000) plus (ii) amounts paid or payable by Guarantor pursuant to Section 16 hereof.

(b) This Guarantee is a guaranty of payment and not of collection. Guarantor agrees that Lender need not attempt to collect any Guaranteed Obligations from Borrower, Guarantor or any other Obligor or to realize upon any collateral, but may require Guarantor to make immediate payment of all of the Guaranteed Obligations to Lender when due, whether by maturity, acceleration or otherwise, or at any time thereafter. Lender may apply any amounts received in respect of the Guaranteed Obligations to any of the Guaranteed Obligations, in whole or in part (including attorneys' fees and legal expenses incurred by Lender with respect thereto or otherwise chargeable to Borrower or Guarantor) and in such order as Lender may elect.

(c) Payment by Guarantor shall be made to Lender at the office of Lender from time to time on demand as Guaranteed Obligations become due. Guarantor shall make all payments to Lender on the Guaranteed Obligations free and clear of, and without deduction or withholding for or on account of, any setoff, counterclaim, defense, duties, taxes, levies, imposts, fees, deductions, withholding, restrictions or conditions of any kind. One or more successive or concurrent actions may be brought hereon against Guarantor either in the same action in which Borrower or any other Obligor is sued or in separate actions. In the event any claim or action, or action on any judgment, based on this Guarantee is brought against Guarantor, Guarantor agrees not to deduct, set-off, or seek any counterclaim for or recoup any amounts which are or may be owed by Lender to Guarantor.

(d) Lender may demand payment hereunder at any time, but Lender agrees that Lender will not take legal action against the Guarantor and its assets to collect amounts owing under this Guarantee unless (i) Lender has exercised (or (a) has been legally unable or otherwise prohibited from exercising or (b) Guarantor, Borrower or Contran Corporation ("Contran") or any of their successors or any party claiming by or through any such party contests Lender's right or ability to exercise) its rights under that certain Put Agreement (the "Contran Put") dated as of the date hereof between Lender and Contran, and Contran has failed to purchase the Pledged Shares in accordance with the terms of the Put Agreement and (ii) Lender has exercised (or (a) has been legally unable or otherwise prohibited from exercising or (b) Guarantor, Borrower or Contran or any of their successors or any party claiming by or through of such party contests Lender's right or ability to exercise) its rights under that certain Pledge Agreement ("the Tremont Pledge") dated as of the date hereof between Lender and Guarantor.

2. Waivers and Consents.

(a) Notice of acceptance of this Guarantee, the making of loans and advances and providing other financial accommodations to Borrower and presentment, demand, protest, notice of protest, notice of nonpayment or default and all other notices to which Borrower or Guarantor is entitled are hereby waived by Guarantor. Guarantor also waives notice of and hereby consents to, (i) any amendment, modification, supplement, extension, renewal, or restatement of the Loan Agreement and any of the other Financing Agreements, including, without limitation, extensions of time of payment of or increase or decrease in the amount of any of the Guaranteed Obligations or any collateral, and the guarantee made herein shall apply to the Loan Agreement and the other Financing Agreements and the Guaranteed Obligations as so amended, modified, supplemented, renewed, restated or extended, increased or decreased, (ii) the taking, exchange, surrender and releasing of collateral or guarantees now or at any time held by or available to Lender for the obligations of Borrower or any other party at any time liable on or in respect of the Guaranteed Obligations or who is the owner of any property which is security for the Guaranteed Obligations (individually, an "Obligor" and collectively, the "Obligors"), (iii) the exercise of, or refraining from the exercise of any rights against Borrower or any other Obligor or any collateral, (iv) the settlement, compromise or release of, or the waiver of any default with respect to, any of the Guaranteed Obligations and (v) any financing by Lender of Borrower under Section 364 of the

United States Bankruptcy Code or consent to the use of cash collateral by Lender under Section 363 of the United States Bankruptcy Code. Guarantor agrees that the amount of the Guaranteed Obligations shall not be diminished and the liability of Guarantor hereunder shall not be otherwise impaired or affected by any of the foregoing.

(b) No invalidity, irregularity or unenforceability of all or any part of the Guaranteed Obligations shall affect, impair or be a defense to this Guarantee, nor shall any other circumstance which might otherwise constitute a defense available to or legal or equitable discharge of Borrower in respect of any of the Guaranteed Obligations, or Guarantor in respect of this Guarantee, affect, impair or be a defense to this Guarantee. Without limitation of the foregoing, the liability of Guarantor hereunder shall not be discharged or impaired in any respect by reason of any failure by Lender to perfect or continue perfection of any lien or security interest in any collateral or any delay by Lender in perfecting any such lien or security interest. As to interest, fees and expenses, whether arising before or after the commencement of any case with respect to Borrower under the United States Bankruptcy Code or any similar statute, Guarantor shall be liable therefor, even if Borrower's liability for such amounts does not, or ceases to, exist by operation of law.

(c) Guarantor hereby irrevocably and unconditionally waives and relinquishes all statutory, contractual, common law, equitable and all other claims against Borrower, any collateral for the Guaranteed Obligations or other assets of Borrower or any other Obligor, for subrogation, reimbursement, exoneration, contribution, indemnification, setoff or other recourse in respect to sums paid or payable to Lender by Guarantor hereunder and Guarantor hereby

further irrevocably and unconditionally waives and relinquishes any and all other benefits which Guarantor might otherwise directly or indirectly receive or be entitled to receive by reason of any amounts paid by or collected or due from Guarantor, Borrower or any other Obligor upon the Guaranteed Obligations or realized from their property; provided, however, that the foregoing shall not apply to any such claim which is subordinated to any claims of Lender against Borrower pursuant to the terms of that certain Subordination Agreement made and entered into as of April 18, 1994 by and between Guarantor and Lender.

3. (Intentionally deleted)

4. Acceleration. Notwithstanding anything to the contrary contained herein or any of the terms of any of the other Financing Agreements, the liability of Guarantor for the entire Guaranteed Obligations shall mature and become immediately due and payable, even if the liability of Borrower or any other Obligor therefor does not, upon the occurrence of any act, condition or event which constitutes an Event of Default as such term is defined in the Loan Agreement. Lender agrees to use good faith efforts to notify Guarantor when the Guaranteed Obligations become immediately due and payable; provided, however, that the failure to so notify Guarantor shall not (i) diminish or otherwise alter any of the Guarantor's obligations or duties hereunder or otherwise, (ii) prejudice any right of Lender hereunder or otherwise, (iii) create any right for Guarantor hereunder or otherwise or (iv) create any liability for Lender hereunder or otherwise.

5. Account Stated. The books and records of Lender showing the account between Lender and Borrower shall be admissible in evidence in any action or proceeding against or involving Guarantor as prima facie proof of the items therein set forth, and the monthly statements of Lender rendered to Borrower, to the extent to which no written objection is made within thirty (30) days from the date of sending thereof to Borrower, shall be deemed conclusively correct and constitute an account stated between Lender and Borrower and be binding on Guarantor.

6. Termination and Arrangements for Termination Upon Repayment of Term Loan B. This Guarantee is continuing, absolute and unconditional. All Guaranteed Obligations shall be conclusively presumed to have been created in reliance on this Guarantee. This Guarantee may not be terminated and shall continue so long as the Loan Agreement shall be in effect (whether during its original term or

any renewal, substitution or extension thereof). Notwithstanding anything to the contrary contained in the preceding sentences of this Section 6, at any time that either (i) the principal balance of the Term Loan-B (as defined in the Loan Agreement) is less than or equal to \$5,000,000, and so long as (a) no Event of Default (as defined in the Loan Agreement) or event which, with the passage of time or the giving of notice, or both, would constitute an Event of Default (as defined in the Loan Agreement) exists at such time and (b) payment of all or any portion of the Obligations (as defined in the Financing Agreements) has not been accelerated or become due and payable pursuant to Section 10.2 of the Loan Agreement or (ii) Lender has received (a) a total of \$5,000,000 pursuant to this Guarantee, the Tremont Pledge and/or the Contran Put (this Guarantee, the Tremont Pledge and the Contran Put, the "Guarantee Documents") and (b) all amounts owing to Lender pursuant to Section 16 hereof, Section 13 of the Tremont Pledge and/or subsection 6(h) of the Contran Put, this Guarantee shall upon written request to the Lender, be, subject to Section 7 hereof, terminated. Notwithstanding anything to the contrary in this Agreement, if (a) Lender exercises its rights under the Put Agreement dated as of the date of this Guarantee between Lender and Contran Corporation ("Contran") as it may be amended from time to time (the "Put Agreement") to require Contran to purchase all of the Pledged Shares (as such term is defined in the Put Agreement), and (b) the Fair Market Value (as defined in the Put Agreement) of all of the Pledged Shares so purchased is less than the amount paid by Contran to Lender pursuant to the Put Agreement (such difference, the "Shortfall"), then (i) Guarantor unconditionally agrees to pay Contran an amount equal to the Shortfall and indemnify and hold Contran harmless from any losses caused by Contran's performance of the Put Agreement, (ii) to the extent Contran has paid any and all amounts owing to Lender pursuant to the Put Agreement (including, without limitation, amounts owing to Lender pursuant to Section 2 and/or Section 6(g) of the Put Agreement) Contran shall be subrogated to (on a basis which is subordinate to Lender) to the rights of Lender under this Agreement, and (iii) this Agreement shall not terminate until such Shortfall and any other amounts are paid or Contran consents in writing to such termination. Lender and Guarantor agree that Contran and its permitted assigns under the Put Agreement shall be deemed to be third party beneficiaries of this Section 6, that Contran may enforce its rights under this Agreement as if a party thereto, and that no amendment, modification, waiver or discharge of this Section 6 shall be effective unless (a) Contran (or such permitted assigns) has consented (which consent shall not be unreasonably withheld or delayed) in writing to such action or (b) the Put Agreement has been terminated.

7. Reinstatement. If after receipt of any payment of, or proceeds of

collateral applied to the payment of, any of the Guaranteed Obligations, Lender is legally required to surrender or return such payment or proceeds to any Person for any reason, then the Guaranteed Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this Guarantee shall continue in full force and effect (and if otherwise terminated, this Guarantee shall be reinstated) as if such payment or proceeds had not been received by Lender; provided, however, that this Guarantee shall not be so reinstated if, following any such surrender or return by Lender, (a) the principal balance of the Term Loan-B is less than or equal to \$5,000,000, (b) no Event of Default (as defined in the Loan Agreement) or event which, with the passage of time or the giving of notice, or both, would constitute an Event of Default (as defined in the Loan Agreement) exists at such time and (c) payment of all or any portion of the Obligations (as defined in the Financing Agreements) has not been accelerated or become due and payable pursuant to Section 10.2 of the Loan Agreement. This Section 7 shall remain effective notwithstanding any contrary action which may be taken by Lender in reliance upon such payment or proceeds. This Section 7 shall survive the termination or revocation of this Guarantee.

8. Amendments and Waivers. Neither this Guarantee nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Lender. Lender shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

9. Corporate Existence, Power and Authority. Guarantor is a corporation duly organized and in good standing under the laws of its state or other jurisdiction of incorporation and is duly qualified as a foreign corporation and in good standing in all states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to so qualify would not have a material adverse effect on the financial condition, results of operation or businesses of Guarantor or the rights of Lender hereunder or under any of the other Financing Agreements. The execution, delivery and performance of this Guarantee is within the corporate powers of Guarantor, have been duly authorized and is not in contravention of law or the terms of the certificates of incorporation, by-laws, or other organizational documentation of Guarantor, or any indenture, agreement or undertaking to which Guarantor is a party or by which Guarantor or its property are bound. This Guarantee constitutes the legal, valid and binding obligation of Guarantor enforceable in accordance with its terms.

10. Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) The validity, interpretation and enforcement of this Guarantee and any dispute arising out of the relationship between Guarantor and Lender, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Illinois (without giving effect to principles of conflicts of law).

(b) Guarantor hereby irrevocably consents and submits to the non-exclusive jurisdiction of the courts of the State of Illinois located in Chicago, Illinois and the United States District Court for the Northern District of Illinois and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Guarantee or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of Guarantor and Lender in respect of this Guarantee or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising and whether in contract, tort, equity or otherwise, and agrees that any dispute arising out of the relationship between Guarantor or Borrower and Lender or the conduct of any such persons in connection with this Guarantee, the other Financing Agreements or otherwise shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against Guarantor or its property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on any collateral at any time granted by Borrower or Guarantor to Lender or to otherwise enforce its rights against Guarantor or its property).

(c) Guarantor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth on the signature pages hereof and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Lender's option, by service upon Guarantor in any other manner provided under

the rules of any such courts. Within thirty (30) days after such service, Guarantor shall appear in answer to such process, failing which Guarantor shall be deemed in default and judgment may be entered by Lender against Guarantor for the amount of the claim and other relief requested.

(d) GUARANTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS GUARANTEE OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF GUARANTOR AND LENDER IN RESPECT OF THIS GUARANTEE OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. GUARANTOR HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT GUARANTOR OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF GUARANTOR AND LENDER TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Lender shall not have any liability to Guarantor (whether in tort, contract, equity or otherwise) for losses suffered by Guarantor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Guarantee, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Lender shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of the Loan Agreement and the other Financing Agreements.

11. Notices. All notices, requests and demands hereunder shall be in writing and (a) made to Lender at its address set forth above and to Guarantor at its chief executive office set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing.

12. Partial Invalidity. If any provision of this Guarantee is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Guarantee as a whole, but this Guarantee shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

13. Entire Agreement. This Guarantee represents the entire agreement and understanding of this parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

14. Successors and Assigns. This Guarantee shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of Lender and its successors, endorsees, transferees and assigns. The liquidation, dissolution or termination of Guarantor shall not terminate this Guarantee as to such entity or as to Guarantor.

15. Construction. All references to the term "Guarantor" wherever used herein shall mean Guarantor and its successors and assigns (including, without limitation, any receiver, trustee or custodian for Guarantor or any of its assets or Guarantor in its capacity as debtor or debtor-in-possession under the United States Bankruptcy Code). All references to the term "Lender" wherever used herein shall mean Lender and its successors and assigns and all references to the term "Borrower" wherever used herein shall mean Borrower and its successors and assigns (including, without limitation, any receiver, trustee or custodian for Borrower or any of its assets or Borrower in its capacity as debtor or debtor-in-possession under the United States Bankruptcy Code). All references to the term "Person" or "person" wherever used herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof. All references to the plural shall also mean the singular and to the singular shall also mean the plural.

16. Expenses; Interest. Guarantor will pay to Lender the amount of all reasonable expenses, including without limitation, the reasonable fees, expenses

and disbursements of its counsel (including allocated costs of inside counsel), of any investment banking firm, business broker or other selling agent and of any other experts and agents retained by Lender, which Lender may incur in connection with (i) the administration of the Guarantee Documents, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral (as defined in the Tremont Pledge), (iii) the exercise or enforcement of any of the rights of Lender under the Guarantee Documents or (iv) the failure of any party other than Lender to perform or observe any of the provisions of any of the Guarantee Documents. All amounts owing under this Section 16 shall be paid upon demand. Any and all amounts payable under or pursuant to this Agreement (whether pursuant to Section 1 hereof, this Section 16 or otherwise) which are not paid when due shall bear interest (which shall be payable upon demand) at a rate equal to the Prime Rate (as defined in the Loan Agreement) plus two percent (2%) per annum.

IN WITNESS WHEREOF, Guarantor has executed and delivered this Guarantee as of the day and year first above written.

ATTEST: TREMONT CORPORATION

_____ By: _____

Title: _____

Address of Chief Executive Office

STATE OF)
) ss.:
COUNTY OF)

On this ____ day of _____, 19__, before me personally came _____, to me known, who stated that he is the _____ of _____, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Notary Public

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "Agreement") is made and entered into as of March 24, 1995 by TREMONT CORPORATION, a Delaware corporation (the "Pledgor"), in favor of CONGRESS FINANCIAL CORPORATION (CENTRAL), an Illinois corporation ("Lender").

W I T N E S S E T H:

WHEREAS, Pledgor is the owner of the outstanding shares of stock (the "Pledged Shares") set forth on Schedule I hereto of NL Industries, Inc. (the "Issuer"); and

WHEREAS, Pledgor desires that TITANIUM METALS CORPORATION, a Delaware corporation ("TIMET"), obtain an amended and restated credit facility from Lender for the purposes described in the Amended and Restated Loan and Security Agreement dated as of the date hereof, among TIMET and Lender (as the same has been or may from time to time be amended, restated, supplemented or otherwise modified, the "Loan Agreement"); capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Loan Agreement; and

WHEREAS, pursuant to that certain Guarantee dated as of the date hereof made by Pledgor (as the same has been and may from time to time be amended, restated, supplemented or otherwise modified, the "Guarantee"), Pledgor has guaranteed certain of TIMET's obligations to Lender; and

WHEREAS, Lender has required, as a condition to its entering into the Loan Agreement, that Pledgor (i) pledge to Lender, and grant to Lender a security interest in, the Pledged Collateral (as defined herein) and (ii) execute and deliver this Agreement in order to secure the payment and performance by Pledgor of the Guaranteed Obligations (as defined in the Guarantee).

AGREEMENT

NOW THEREFORE, in consideration of the premises and in order to induce Lender to extend credit under the Loan Agreement and the Note to Pledgor, Pledgor hereby agrees with Lender as follows:

SECTION 1. PLEDGE. Pledgor hereby pledges and collaterally assigns to Lender, and grants to Lender a continuing first priority and perfected security interest in, the following (the "Pledged Collateral"):

(a) the Pledged Shares and the certificates representing the Pledged Shares, and all products and proceeds of any of the Pledged Shares including, without limitation, all dividends, cash, instruments, subscriptions, warrants and any other rights and options and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares; and

(b) all additional shares of stock of, or equity interest in, the Issuer from time to time delivered or required to be delivered by Pledgor to Lender pursuant to Section 15.6 hereof, and the certificates representing such additional shares (any such additional shares shall constitute part of the Pledged Shares under and as defined in this Agreement), and all products and proceeds of any of such additional Pledged Shares, including, without limitation, all dividends, cash, instruments, subscriptions, warrants and any other rights and options and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such additional Pledged Shares.

SECTION 2. SECURITY FOR OBLIGATIONS. This Agreement secures the payment of all of the Guaranteed Obligations (as defined in the Guarantee), whether for principal, interest, fees, expenses or otherwise, and all obligations of Pledgor now or hereafter existing under this Agreement or the Guarantee (all such obligations of Pledgor now or hereafter existing being referred to herein as the "Liabilities").

SECTION 3. DELIVERY OF PLEDGED COLLATERAL. All certificates or instruments representing or evidencing the Pledged Collateral shall be delivered to and held by or on behalf of Lender pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Lender.

SECTION 4. REPRESENTATIONS AND WARRANTIES. Pledgor represents and warrants as follows:

(a) The Pledged Shares have been duly authorized and validly issued and are fully paid and non-assessable.

(b) Pledgor is the legal and beneficial owner of the Pledged Collateral, free and clear of any security interest, mortgage, pledge, lien, charge or other encumbrance ("Lien") on the Pledged Collateral.

(c) The pledge and collateral assignment of the Pledged Collateral pursuant to this Agreement creates a valid and perfected first priority interest in such Pledged Collateral securing the payment of the Liabilities for the benefit of Lender.

(d) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the pledge and collateral assignment by Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor or (ii) for the exercise by Lender of the voting or other rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except such filings of beneficial ownership as may be required by federal securities laws).

(e) Pledgor has full power and authority to enter into this Agreement and has the right to vote the Pledged Shares and to pledge, collaterally assign and grant a security interest in the Pledged Collateral.

(f) This Agreement has been duly authorized, executed and delivered by Pledgor and constitutes a legal, valid and binding obligation of Pledgor, enforceable against Pledgor in accordance with its terms, except as such enforceability may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or general principles of equity.

(g) To the best of its knowledge, the Pledged Shares constitute, as of the date hereof, the percentage of the authorized, issued and outstanding capital stock of the Issuer set forth on Schedule I hereto.

(h) Pledgor's chief executive office is located at the address set forth on the signature page hereto.

SECTION 5. FURTHER ASSURANCES; COVENANTS.

(a) Pledgor agrees that at any time and from time to time, at the expense of Pledgor, Pledgor will promptly execute and deliver, or cause to be executed and delivered, all stock powers, proxies, assignments, instruments and documents and take all further action, that is reasonably necessary, at Lender's request, in order to perfect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral and to carry out the provisions and purposes hereof.

(b) Pledgor covenants and agrees that it will not change its name or the location of its chief executive office without having provided not less than thirty (30) days prior written notice of such intended change to Lender.

SECTION 6. VOTING RIGHTS; DIVIDENDS; ETC.

(a) So long as no Event of Default shall have occurred and be continuing, Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Shares or any part thereof for any purpose not inconsistent with the terms of this Agreement; provided, however, that Pledgor shall not exercise or shall refrain from exercising any such right if such action would have a material adverse effect on the value of the Pledged Collateral or any part thereof or be inconsistent with or violate any provisions of this Agreement, the Loan Agreement, the Notes or any of the other Financing Agreements.

(b) So long as no Event of Default shall have occurred and be continuing, Pledgor shall be entitled to receive all cash dividends paid from time to time in respect of the Pledged Shares.

(c) Any and all (i) dividends or other distributions paid or payable in the form of instruments and/or other property (other than cash dividends permitted under Section 6(b) hereof) received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral, (ii) dividends and other distributions paid or payable in cash received, receivable or otherwise distributed in respect of any Pledged Shares in

connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and (iii) cash paid, payable or otherwise distributed in redemption of, or in exchange for, any Pledged Shares, shall in each case be delivered forthwith to Lender to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for the benefit of Lender, be segregated from the other property or funds of Pledgor, and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(d) Lender shall execute and deliver (or cause to be executed and delivered) to Pledgor all such proxies and other instruments as Pledgor may reasonably request for the purpose of enabling Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 6(a) above.

(e) All dividends or other distributions which are received by Pledgor contrary to the provisions of this Section 6 shall be received in trust for the benefit of Lender, shall be segregated from other funds of Pledgor and shall be forthwith paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(f) Upon the occurrence and during the continuance of an Event of Default, all rights of Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 6(a) shall cease, and all such rights shall become vested in Lender which shall thereupon have the sole right to exercise such voting and other consensual rights.

(g) Upon the occurrence and during the continuance of an Event of Default, all cash dividends or other distributions payable in respect of the Pledged Shares shall be paid directly to Lender and, if received by Pledgor, shall be received in trust for the benefit of Lender, shall be segregated from other funds of Pledgor, and shall be forthwith paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsements) and Pledgor's right to receive such cash payments pursuant to Sections 6(b) shall immediately cease.

SECTION 7. TRANSFERS AND OTHER LIENS; ADDITIONAL SHARES.

(a) Pledgor agrees that it will not (i) sell or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral without the prior written consent of Lender, (ii) create or permit to exist any Lien upon or with respect to any of the Pledged Collateral, except for the security interest granted under this Agreement or (iii) enter into any agreement or understanding that purports to or may restrict or inhibit Lender's rights or remedies hereunder, including, without limitation, Lender's right to sell or otherwise dispose of the Pledged Collateral.

SECTION 8. LENDER APPOINTED ATTORNEY-IN-FACT. Pledgor hereby appoints Lender Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, from time to time in Lender's discretion to take any action and to execute any instrument which Lender may deem necessary or advisable to further perfect and protect the security interest granted hereby, including, without limitation, to receive, endorse and collect all instruments made payable to Pledgor representing any dividend, or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same.

SECTION 9. LENDER MAY PERFORM. If Pledgor fails to perform any agreement contained herein, Lender may itself perform, or cause performance of, such agreement, and the reasonable expenses of Lender incurred in connection therewith shall be payable by Pledgor under Section 13 hereof.

SECTION 10. NO ASSUMPTION OF DUTIES; REASONABLE CARE. The rights and powers granted to Lender hereunder are being granted in order to preserve and protect Lender's security interest in and to the Pledged Collateral granted hereby and shall not be interpreted to, and shall not, impose any duties on Lender in connection therewith. Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if the Pledged Collateral is accorded treatment substantially equal to that which Lender accords its own property, it being understood that Lender shall not have any responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Collateral, whether or not Lender has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any parties with respect to any Pledged Collateral.

SECTION 11. SUBSEQUENT CHANGES AFFECTING PLEDGED COLLATERAL. Pledgor represents to Lender that Pledgor has made its own arrangements for keeping informed of changes or potential changes affecting the Pledged

Collateral (including, but not limited to, rights to convert, rights to subscribe, payment of dividends, payments of interest and/or principal, reorganization or other exchanges, tender offers and voting rights), and Pledgor agrees that Lender shall have no responsibility or liability for informing Pledgor of any such changes or potential changes or for taking any action or omitting to take any action with respect thereto.

SECTION 12. REMEDIES UPON DEFAULT. If any Event of Default shall have occurred and be continuing, Lender shall, in addition to all other rights given by law or by this Agreement, or otherwise, have all of the rights and remedies with respect to the Pledged Collateral of a secured party under the Uniform Commercial Code ("Code") in effect in the State of Illinois at that time and Lender may, without notice and at its option, transfer or register, and Pledgor shall register or cause to be registered upon request therefor by Lender, the Pledged Shares or any part thereof on the books of the Issuer into the name of Lender or Lender's nominee(s), indicating that such Pledged Shares are subject to the security interest hereunder. In addition, with respect to any Pledged Collateral which shall then be in or shall thereafter come into the possession or custody of Lender, Lender may sell or cause the same to be sold at any broker's board or at any public or private sale, in one or more sales or lots, at such price or prices as Lender may deem best, for cash or on credit or for future delivery, without assumption of any credit risk, all in accordance with the terms and provisions of this Agreement. The purchaser of any or all Pledged Collateral so sold shall thereafter hold the same absolutely, free from any claim, encumbrance or right of any kind whatsoever. Unless any of the Pledged Collateral threatens to decline speedily in value or is or becomes of a type sold on a recognized market, Lender will give Pledgor reasonable notice of the time and place of any public sale thereof, or of the time after which any private sale or other intended disposition is to be made. Any sale of the Pledged Collateral pursuant to that certain Put Agreement (the "Put Agreement") dated as of the date hereof between Lender and Contran Corporation ("Contran") or conducted in conformity with reasonable commercial practices of banks, insurance companies, commercial finance companies, or other financial institutions disposing of property similar to the Pledged Collateral shall be deemed to be commercially reasonable. Any requirements of reasonable notice shall be met if such notice is mailed to Pledgor as provided in Section 15.16 below, at least five (5) days before the time of the sale or disposition. Any other requirement of notice, demand or advertisement for sale is, to the extent permitted by law, waived. Lender may, in its own name or in the name of a designee or nominee, buy any of the Pledged Collateral at any public sale and, if permitted by applicable law, at any private sale. All expenses (including court costs and reasonable attorneys' fees, expenses and disbursements) of, or incident to, the enforcement of any of the provisions hereof shall be recoverable from the proceeds of the sale or other disposition of the Pledged Collateral. In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after an Event of Default, Pledgor agrees that upon the occurrence or existence of any Event of Default, Lender may, from time to time, attempt to sell all or any part of the Pledged Collateral pursuant to the Put Agreement or by means of a private placement, restricting the prospective purchasers to those who will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may (i) solicit offers to buy the Pledged Collateral, or any part of it, for cash, from a limited number of investors who might be interested in purchasing the Pledged Collateral, and if Lender solicits such offers from not less than four (4) such investors that are not affiliated with Lender, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposition of the Pledged Collateral or (ii) sell the Pledged Collateral pursuant to the Put Agreement, and a sale pursuant to (i) or (ii) of this sentence shall be deemed to be a commercially reasonable disposition of the Pledged Collateral. Notwithstanding anything in this Agreement to the contrary, Lender agrees that it will not sell all or any portion of the Pledged Collateral to any Person other than Contran unless Lender (i) has been legally unable to fully exercise or been otherwise prohibited from fully exercising, or Borrower, Pledgor, Contran or any of their successors, or any party claiming by or through any such party contests Lender's ability to exercise, its rights under the Put Agreement or (ii) Lender has delivered a Put Notice (as defined in the Put Agreement) and Contran has failed to purchase the Pledged Shares in accordance with the terms of the Put Agreement.

In addition, upon the occurrence and during the continuance of an Event of Default, all rights of Pledgor to exercise the voting and other rights which it would otherwise be entitled to exercise shall cease, and all such rights shall thereupon become vested in Lender as provided in and subject to the terms of Section 6(f) hereof.

SECTION 13. EXPENSES. Pledgor will pay to Lender the amount of any and all reasonable expenses, including, without limitation, the reasonable fees, expenses and disbursements of its counsel (including allocated costs of inside counsel), of any investment banking firm, business broker or other selling agent and of any other experts and agents retained by Lender, which Lender may incur

in connection with (i) the administration of this Agreement, the Guarantee and the Put Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of any of the rights of Lender hereunder or under the Guarantee or the Put Agreement or (iv) the failure by Pledgor to perform or observe any of the provisions hereof or of the Guarantee or the Put Agreement. All amounts owing under this Section 13 shall be payable upon demand. Any and all amounts payable under or pursuant to this Agreement which are not paid when due shall bear interest (which shall be payable upon demand) at a rate equal to the Prime Rate (as defined in the Loan Agreement) plus two percent (2%) per annum.

SECTION 14. SECURITY INTEREST ABSOLUTE. All rights of Lender and security interests hereunder, and all obligations of Pledgor hereunder, shall be absolute and unconditional irrespective of, and unaffected by:

(a) any lack of validity or enforceability of any Financing Agreement;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Liabilities, or any other amendment or waiver of or any consent to any departure from any Financing Agreement;

(c) any exchange, surrender, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Liabilities; or

(d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Pledgor in respect of the Liabilities or of this Agreement.

SECTION 1. MISCELLANEOUS PROVISIONS.

SECTION 1 Headings. The headings in this Agreement are for purposes of reference only and shall not affect the meaning or construction of any provision of this Agreement.

SECTION 2 Interpretation of Agreement. Time is of the essence in each provision of this Agreement of which time is an element. All terms not defined herein or in the Loan Agreement shall have the meaning set forth in the applicable Uniform Commercial Code, except where the context otherwise requires. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant in determining the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

SECTION 3 Continuing Security Interest. This Agreement shall create a continuing security interest in the Pledged Collateral and shall remain in full force and effect until the termination of this Agreement pursuant to Section 15.8 hereof.

SECTION 4 Reinstatement. To the extent permitted by law, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by Lender, in respect of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by Lender, upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Pledgor or upon the appointment of any receiver, intervenor, conservator, trustee or similar official for Pledgor or any substantial part of its assets, or otherwise, all as though such payments had not been made.

SECTION 5 Survival of Provisions. All representations, warranties and covenants of Pledgor contained herein shall survive the execution and delivery of this Agreement, and shall terminate only upon the full and final payment and performance by Pledgor of the Liabilities secured hereby and termination of the Loan Agreement, the Note and the other Financing Agreements.

SECTION 6 Adjustment to Number of Pledged Shares. Lender may, from time to time when it deems it appropriate, on any Business Day (a "Lender Adjustment Day"), and Lender shall from time to time on a Business Day requested by Pledgor at least two Business Days in advance (each such Business Day and each Lender Adjustment Day, a "Valuation Day"), determine the market value of the Pledged Shares (the "Market Value") (based, to the extent applicable, upon the lesser of (i) the average, appropriately adjusted for dividends, stock splits and similar transactions, of the closing sales prices of a share of stock of NL Industries of the same class as the Pledged Shares on the New York Stock Exchange composite tape for the five (5) trading days immediately preceding such Valuation Day and (ii) the closing price of such a share on the New York Stock Exchange on the trading day immediately preceding such Valuation Day. If the Market Value on a particular Valuation Day is (i) less than Six Million Five Hundred Thousand Dollars (\$6,500,000), Lender shall notify Pledgor of the existence and the amount of such shortfall and Pledgor shall promptly thereafter

(but in no event more than three (3) Business Days thereafter) pledge additional shares of capital stock of the Issuer to Lender (which shares shall then be Pledged Shares) (and, in accordance with Section 3 hereof, Pledgor shall deliver to Lender certificates, and duly executed instruments of transfer or assignment in blank with respect thereto, representing such additional shares) such that after giving effect to such delivery of such additional Pledged Shares, the Market Value of the Pledged Shares shall be greater than or equal to \$7,000,000 and (ii) greater than Seven Million Five Hundred Thousand Dollars (\$7,500,000,) Lender shall notify Pledgor of such circumstance and, Lender shall, upon the written request of Pledgor given within two Business Days of day on which Lender so notifies Pledgor, release its interest in as many Pledged Shares as requested by Pledgor as long as, after giving effect to such release, the Market Value of the Pledged Shares constituting Pledged Collateral at such time is at least \$7,000,000. The dollar amounts specified in this paragraph shall be reduced by the amount which Lender has received (and been allowed to retain) pursuant to the Guarantee, this Agreement or the Contran Put (other than amounts received pursuant to Section 16 of the Guarantee, Section 13 hereof and/or Subsection 6(g) of the Contran Put).

SECTION 7 Authority of Lender. Lender shall have and be entitled to exercise all powers hereunder which are specifically granted to Lender by the terms hereof, together with such powers as are reasonably incident thereto. Lender may perform any of its duties hereunder or in connection with the Pledged Collateral by or through agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Neither Lender nor any director, officer, employee, attorney or agent of Lender shall be liable to Pledgor for any action taken or omitted to be taken by it or them hereunder, except for its or their own gross negligence or willful misconduct, nor shall Lender be responsible for the validity, effectiveness or sufficiency of this Agreement or of any document or security furnished pursuant hereto. Lender and its directors, officers, employees, attorneys and agents shall be entitled to rely on any communication, instrument or document reasonably believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons. Pledgor agrees to indemnify and hold harmless Lender and any other Person from and against any and all costs, expenses (including reasonable fees, expenses and disbursements of attorneys and paralegals (including, without duplication, reasonable charges of inside counsel)), claims and liabilities incurred by Lender or such Person hereunder, unless such claim or liability shall be due to willful misconduct or gross negligence on the part of Lender or such Person.

SECTION 8 Release; Termination of Agreement. At any time following the termination of the Guarantee, this Agreement shall upon written request to Lender, be terminated; provided, however, if at any time following any such termination, the Guarantee is reinstated, this Agreement shall be automatically reinstated and shall thereafter continue in full force and effect. Upon termination of this Agreement, Lender shall, at the request and expense of Pledgor, reassign and redeliver to Pledgor all of the Pledged Collateral hereunder which has not been sold, disposed of, retained or applied by Lender in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to Lender, except as to the absence of any prior assignments by Lender of its interest in the Pledged Collateral, and shall be at the expense of Pledgor.

SECTION 9 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original but all of which shall together constitute one and the same agreement.

SECTION 10 Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Illinois (without giving effect to principles of conflicts of law).

(b) Pledgor and Lender irrevocably consent and submit to the non-exclusive jurisdiction of the courts of the State of Illinois located in Chicago, Illinois and the United States District Court for the Northern District of Illinois and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against Pledgor or its property in the courts of any other jurisdiction which Lender deems

necessary or appropriate in order to realize on the Pledged Collateral or to otherwise enforce its rights against Pledgor or its property).

(c) Pledgor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth on the signature pages hereof and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Lender's option, by service upon Pledgor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Pledgor shall appear in answer to such process, failing which Pledgor shall be deemed in default and judgment may be entered by Lender against Pledgor for the amount of the claim and other relief requested.

(d) PLEDGOR AND LENDER EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. PLEDGOR AND LENDER EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT PLEDGOR OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Lender shall not have any liability to Pledgor (whether in tort, contract, equity or otherwise) for losses suffered by Pledgor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Lender, that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Lender shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of the this Agreement, the Loan Agreement and the other Financing Agreements.

SECTION 11 Waiver. LENDER AND PLEDGER WAIVE ALL RIGHTS OF NOTICE AND HEARING OF ANY KIND PRIOR TO THE EXERCISE BY LENDER OF ITS RIGHTS FROM AND AFTER AN EVENT OF DEFAULT TO REPOSSESS THE PLEDGED COLLATERAL WITH JUDICIAL PROCESS OR TO REPLEVY, ATTACH OR LEVY UPON THE PLEDGED COLLATERAL. PLEDGOR WAIVES THE POSTING OF ANY BOND OTHERWISE REQUIRED OF LENDER IN CONNECTION WITH ANY JUDICIAL PROCESS OR PROCEEDING TO OBTAIN POSSESSION OF, REPLEVY, ATTACH OR LEVY UPON PLEDGED COLLATERAL, TO ENFORCE ANY JUDGMENT OR OTHER SECURITY FOR THE LIABILITIES, TO ENFORCE ANY JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF SUCH PARTY OR TO ENFORCE BY SPECIFIC PERFORMANCE, TEMPORARY RESTRAINING ORDER, PRELIMINARY OR PERMANENT INJUNCTION, THIS AGREEMENT, OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN PLEDGOR AND ANY SUCH PARTY.

SECTION 12 Waiver of Notices. Pledgor hereby expressly waives demand, presentment, protest and notice of protest and notice of dishonor with respect to any and all instruments and commercial paper, included in or evidencing any of the Liabilities or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Liabilities, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on Pledgor which Lender may elect to give shall entitle Debtor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 13 Amendments and Waivers. Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Lender. Lender shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

SECTION 14 Waiver of Counterclaims. Pledgor waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Pledged Collateral or any matter arising therefrom or relating hereto or thereto.

SECTION 15 Indemnification. Pledgor shall indemnify and hold Lender, and its directors, agents, employees and counsel, harmless from and

against any and all losses, claims, damages, liabilities, costs or expenses ("Indemnified Amounts") imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including, without limitation, amounts paid in settlement, court costs, and the reasonable fees and expenses of counsel, unless the Indemnified Amounts proximately result from the gross negligence or willful misconduct of Lender or the intentional breach by Lender of any obligation of Lender under this Agreement. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, Pledgor shall pay the maximum portion which it is permitted to pay under applicable law to Lender in satisfaction of indemnified matters under this Section. The foregoing indemnity shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

SECTION 16 Notices. All notices, requests and demands hereunder shall be in writing and (a) made to Lender at its address set forth below and to Pledgor at its chief executive office set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt if the initial page thereof is received prior to 4:30 p.m. on a Business Day, or on the next Business Day following the day of receipt and confirmation if the initial page thereof is not received during a Business Day; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing.

SECTION 17 Partial Invalidity. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

SECTION 18 Successors. This Agreement shall be binding upon and inure to the benefit of and be enforceable by Lender, Pledgor and their respective successors and assigns, except that Pledgor may not assign its rights under this Agreement without the prior written consent of Lender. Lender may assign its rights and delegate its obligations under this Agreement to another financial institution or other person, in which event, the assignee or participant shall have, to the extent of such assignment or participation, the same rights and benefits as it would have if it were the Lender hereunder, except as otherwise provided by the terms of such assignment or participation.

SECTION 19 Entire Agreement. This Agreement and any instruments or documents delivered or to be delivered in connection herewith represent the entire agreement and understanding concerning the subject matter hereof between the parties hereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

(NEXT PAGE IS SIGNATURE PAGE)

IN WITNESS WHEREOF, Pledgor and Lender have each caused this Agreement to be duly executed and delivered as of the date first above written.

PLEDGOR:

TREMONT CORPORATION,
a Delaware corporation

By: _____
Name:
Title:

Address of Chief Executive Office:

PLEDGE:

CONGRESS FINANCIAL CORPORATION
(CENTRAL), an Illinois corporation

By: _____

Name:

Title:

Address:

100 South Wacker Drive

Suite 1940

Chicago, Illinois 60606

Schedule I

PLEDGED SHARES

(TO BE PROVIDED BY PLEDGOR)

Put Agreement

PUT AGREEMENT (this "Agreement"), dated as of March 24, 1995 between Congress Financial Corporation (Central), an Illinois corporation ("Congress") and Contran Corporation, a Delaware corporation ("Contran").

WHEREAS, Congress and Titanium Metals Corporation, a Delaware corporation ("Timet") have entered into that certain Amended and Restated Loan and Security Agreement dated as of the date hereof (as the same has been and may from time to time be amended, restated, supplemented or otherwise modified, the "Loan Agreement"); and

WHEREAS, pursuant to a Guarantee dated as of the date hereof in favor of Congress (as the same has been and may from time to time be amended, restated, supplemented or otherwise modified from time to time, the "Guarantee"), Tremont Corporation ("Tremont") has guaranteed certain obligations; and

WHEREAS, pursuant to a Pledge Agreement dated as of the date hereof (as the same has been and may from time to time be amended, restated, supplemented or otherwise modified from time to time, the "Pledge Agreement") Tremont has pledged certain shares of capital stock of NL Industries, Inc. (the "Pledged Shares") to Congress to secure Tremont's obligations under the Guarantee.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Put Right. Subject in each case to the conditions set forth in Section 3 hereof, (i) Congress shall have the right (the "Put") to sell to Contran (exercisable in the manner set forth in Section 2) and (ii) Contran shall have the obligation to purchase from Congress, the lesser of (a) all of the Pledged Shares or (b) the number of Pledged Shares such that the product of (1) such number of Pledged Shares multiplied by (2) the Fair Market Value of a Pledged Share, equals Five Million Dollars (\$5,000,000) (or such lesser amount as is owed to Congress pursuant to the Guarantee), for an aggregate purchase price equal to Five Million Dollars (\$5,000,000) (or such lesser amount as is owed to Congress pursuant to the Guarantee). As used herein, Fair Market Value, at any time, with respect to a Pledged Share, shall mean the lesser of (i) the average, appropriately adjusted for dividends, stock splits and similar transactions, of the closing sales prices of a share of stock of NL Industries of the same class as the Pledged Shares on the New York Stock Exchange composite tape for the five trading days prior to the day Congress sends the Put Notice (as defined below) and (ii) the closing price of such a share on the New York Stock Exchange on the trading day immediately preceding the day that Congress sends the Put Notice.

2. Exercise of Put Right. If Congress elects to exercise the Put, Congress shall send written notice of such election (the "Put Notice") to Contran. The purchase and sale of the Pledged Shares (the "Closing") shall thereafter take place at the principal office of Congress on the later of (i) the tenth Business Day (as defined in the Loan Agreement) after receipt of the Put Notice by Contran or (ii) the second Business Day (as defined in the Loan Agreement) after all required regulatory approvals are obtained (it being agreed that Contran shall work diligently to obtain all required regulatory approvals). At the Closing (a) Contran shall pay an amount equal to Five Million Dollars (\$5,000,000) (or such lesser amount as is owed to Congress pursuant to the Guarantee) to Congress in immediately available funds, (b) Congress shall deliver to Contran the certificates or other instruments representing the Pledged Shares and all necessary stock powers relating thereto and (c) Congress shall represent that it has not previously assigned or encumbered its interest in the Pledged Shares being sold to Contran.

3. Conditions to Put. The right of Congress to exercise the Put and the obligation of Contran to purchase and pay for the Pledged Shares pursuant thereto shall be subject to the fulfillment of the condition that either:

(a) Tremont has not fully satisfied all of its obligations under the Guarantee, or

(b) (i) Tremont dissolved or suspended or discontinued doing business, (ii) Tremont has become insolvent (however defined or evidenced under any statute or common law doctrine applicable to it involving relief of debtors, bankruptcy, liquidation, insolvency, reorganization, adjustment or composition of debts, or similar doctrines or statutes), made an assignment for the benefit of creditors, made or sent notice of a bulk transfer or called a general meeting of its creditors or principal creditors for the purpose of rescheduling or renegotiating its debts or restructuring its assets and liabilities, (iii) a

case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) has been filed against Tremont or all or any part of its properties and such petition or application has not been dismissed within thirty (30) days after the date of its filing or Tremont shall have filed any answer admitting or not contesting such petition or application or indicated its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested has been granted, or (iv) a case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at a law or equity) has been filed by Tremont or for all or any part of its property.

4. Securities Laws. Contran understands that (a) the Pledged Shares are "restricted securities" under Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), (b) the Pledged Shares cannot be sold unless (i) they are registered and qualified under the Securities Act and applicable state securities laws or (ii) an exemption from registration and qualification is available and (c) the Pledged Shares bear a legend to the foregoing effect. In addition, Contran covenants and agrees that (i) it will acquire the Pledged Shares for its own account and not with a view to a sale or other distribution and (ii) it will not, and will not authorize any person to, solicit any offer to buy, or offer, sell, dispose of or otherwise transfer, any Pledged Share to any person in any manner that would violate or contravene any applicable law (including, without limitation, the Securities Act and/or any applicable state securities law).

5. Waivers and Consents.

(a) Notice of acceptance of this Agreement and/or the Guarantee, the making of loans and advances and providing other financial accommodations to Timet and presentment, demand, protest, notice of protest, notice of nonpayment or default and all other notices to which Timet or Contran is entitled are hereby waived by Contran. Contran also waives notice of and hereby consents to, (i) any amendment, modification, supplement, extension, renewal, or restatement of the Loan Agreement, the Guarantee, the Pledge Agreement and/or any of the other Financing Agreements (as defined in the Loan Agreement), including without limitation, extensions of time of payment of or increase or decrease in the amount of any of the Guaranteed Obligations (as defined in the Guarantee) or the Obligations (as defined in the Loan Agreement) or any collateral, (ii) the taking, exchange, surrender and releasing of collateral or guarantees now or at any time held by or available to Congress for the obligations of Timet, Tremont or any other party at any time liable on or in respect of the Guaranteed Obligations (as defined in the Guarantee) or the Obligations (as defined in the Loan Agreement) or who is the owner of any property which is security for the Guaranteed Obligations (as defined in the Guarantee) or the Obligations (as defined in the Loan Agreement) (individually, or an "Obligor" and collectively, the "Obligors"), (iii) the exercise of, or refraining from the exercise of any rights against Timet, Tremont or any other Obligor or any collateral, (iv) the settlement, compromise or release of, or the waiver of any default with respect to, any of the Guaranteed Obligations (as defined in the Guarantee) or the Obligations (as defined in the Loan Agreement) and (v) any financing by Congress or Timet under Section 364 of the United States Bankruptcy Code or consent to the use of cash collateral by Lender under Section 363 of the United States Bankruptcy Code. Contran agrees that the amount of the Guaranteed Obligations (as defined in the Guarantee) and the amount of the Obligations (as defined in the Loan Agreement) shall not be diminished and the obligations of Contran hereunder shall not be otherwise impaired or affected by any of the foregoing. Congress agrees that no amendment of the Loan Agreement, the Guarantee, the Pledge Agreement and/or any of the other Financing Agreements (as defined in the Loan Agreement) or any other action by any of the parties thereto of the type described in this Section 5 shall, without the consent of Contran, amend or otherwise alter any of the terms or provisions hereof.

(b) No invalidity, irregularity or unenforceability of all or any part of the Guaranteed Obligations (as defined in the Guarantee) or the Obligations (as defined in the Loan Agreement) shall affect, impair or be a defense to this Agreement, nor shall any other circumstance which might otherwise constitute a defense available to or legal or equitable discharge of Timet in respect of any of the Obligations (as defined in the Loan Agreement) or of Tremont in respect of the Guaranteed Obligations (as defined in the Guarantee) or Contran in respect of this Agreement, affect, impair or be a defense to this Agreement. Without limitation of the foregoing, the liability of Contran hereunder shall not be discharged or impaired in any respect by reason of any failure by Congress to perfect or continue perfection of any lien or security interest in any collateral or failure by Congress to perfect or continue perfection of any lien or security interest in any collateral or any delay by Congress in perfecting any such lien or security interest.

(c) Except as expressly set forth in Section 6 of the Guarantee, Contran hereby irrevocably and unconditionally waives and relinquishes all statutory, contractual, common law, equitable and all other claims against Timet, any collateral for the Guaranteed Obligations (as defined in the Guarantee) or the Obligations (as defined in the Loan Agreement) or other assets of Timet or any other Obligor, for subrogation, reimbursement, exoneration, contribution, indemnification, setoff or other recourse in respect to sums paid or payable to Congress by Contran hereunder and Contran hereby further irrevocably and unconditionally waives and relinquishes any and all other benefits which Contran might otherwise directly or indirectly receive or be entitled to receive by reason of any amounts paid by or collected or due from Contran, Timet or any other Obligor upon the Guaranteed Obligations (as defined in the Guarantee) or the Obligations (as defined in the Loan Agreement) or realized from their property.

6. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to the principles of conflicts of law.

(b) This Agreement shall terminate when the Guarantee terminates; provided, however, that this Agreement shall be reinstated and continue in full force and effect if, following such termination, the Guarantee shall be reinstated.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(d) This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and each of their respective successors and permitted assigns. Notwithstanding anything to the contrary contained herein, this Agreement may not be assigned by Contran without the prior written consent of Congress.

(e) This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof. There are no restrictions, agreements, promises, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by both parties hereto. Any condition to a party's obligations hereunder may be waived in writing by such party.

(f) All notices, claims, certificates, requests, demands and other communications thereunder will be given in writing at the address set forth below (and will be deemed to have been duly given or made: (i) if delivered in person, immediately upon delivery, (ii) if by facsimile transmission, immediately upon confirmation of receipt (iii) if by nationally recognized overnight courier service, on the day such courier service has been directed to make the applicable delivery and (iv) if delivered or mailed (registered or certified mail, postage prepaid, return receipt requested) five Business Days (as defined in the Loan Agreement) after mailing:

If to Contran:

Three Lincoln Center, Suite 1700
5430 LBJ Freeway
Dallas, TX 75240-2697
Attention: Harold C. Simmons

If to Congress:

100 South Wacker Drive
Suite 1940
Chicago, Illinois 60606
Attention: James Ward

or, in either case, such other address as the person to whom notice is to be given may have previously furnished to the other in the manner set forth above.

(g) Contran shall pay to Congress the amount of any and all reasonable expenses, including without limitations, the reasonable fees, expenses and disbursements of its counsel (including allocated expenses of inside counsel), of any investment banking firm, business broker or other selling agent and of any other experts and agents retained by Congress, which Congress may incur in connection with (i) the exercise or enforcement of any of the rights of Congress hereunder or (ii) the failure of Contran to perform or observe any of the provisions hereof. All amounts owing pursuant to this subsection shall be payable upon demand. Any and all amounts payable under or pursuant to this

Agreement which are not paid when due shall bear interest (which shall be payable upon demand) at a rate equal to the Prime Rate (as defined in the Loan Agreement) plus two percent (2%) per annum.

(h) This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

Contran Corporation

By:
Name:
Title:

Congress Financial Corporation (Central)

By:
Name:
Title: