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JUDGMENT ON STOCK DISPOSAL,  
JANUARY 16, 1951

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#### JUDGMENT ON STOCK DISPOSAL

WHEREAS, on July 6, 1950, this Court entered its final judgment in this cause, paragraph V of which (a) requires Aluminum Company of America (hereinafter sometimes called "Alcoa") and the individual defendants who own stock in both Alcoa and Aluminium Limited (hereinafter sometimes called "Limited") to prepare and submit a plan or plans for carrying out the disposal of stock interests either in Limited or Alcoa as directed in the opinion of this Court filed June 2, 1950, and (b) further provides that, after consideration of said plan or plans, and discussion thereof by counsel, this Court will enter a further order or judgment concerning the plan to be carried out in connection with said stock disposal; and

WHEREAS, Alcoa and said individual defendants, within the time specified in said paragraph V, did submit to this Court a plan for said stock disposal which, as modified after discussion by counsel and consideration thereof by the Court, is adopted in this judgment; and

WHEREAS, the following - mentioned individuals (identified as now or formerly a part of the management of Alcoa) are defendants in this cause pursuant to the judgment of this Court entered April 23, 1946, viz., David K. E. Bruce, George H. Clapp, Safford K. Colby, Arthur V. Davis, Edward K. Davis, J. J. Demskie, Edwin S. Fickes, C. B. Fox, George R. Gibbons, Roy A. Hunt, J. R. D. Huston, C. L. Lycette, Richard K. Mellon, Charles H. Moritz, George J. Stanley, Paul J. Urquhart, Irving W. Wilson, and Robert E. Withers; and

WHEREAS, of the above-mentioned individual defendants, the following died on the following dates, respectively:

George H. Clapp	on March 31, 1949
Safford K. Colby	on August 4, 1947
Edwin S. Fickes	on December 19, 1943
George R. Gibbons	on September 3, 1950
Charles H. Moritz	on June 27, 1948

and

WHEREAS, the defendants and certain individuals who have agreed to dispose of Limited common stock have already disposed of an aggregate of 104,460 shares of said stock (to other than Individual Charitable Foundations, as hereinafter defined in paragraph 4 of article V, hereof) since June 2, 1950, the date of this Court's opinion requiring stock disposal, said disposals having been as follows:

<u>Name</u>	<u>Number of Shares of Limited Common Stock Disposed of</u>
Arthur V. Davis	11,200
Edward K. Davis	1,600
George R. Gibbons (estate)	12,030
Roy A. Hunt	56,665
Paul Mellon	5,200
Sarah Mellon Scaife	15,000
Paul J. Urquhart	600
I. W. Wilson	1,865
Robert E. Withers	300
TOTALLING	104,460 shares;

and

WHEREAS, the following previously-named defendants presently own shares of common stock of Alcoa or Limited to the following extent only, viz.:

<u>Name</u>	<u>Alcoa Common Stock Owned</u>	<u>Stock Owned Limited Common</u>
George H. Clapp (estate)	43,823	None
Safford K. Colby (estate)	None	None
Edwin S. Fickes (estate)	None	None
George R. Gibbons (estate)	45,294	None
Charles H. Moritz (estate)	None	2,000
J. J. Demskie	100	None
J. R. D. Huston	100	None
C. L. Lycette	None	None
George J. Stanley	4,724	None
Irving W. Wilson	4,550	None
Robert E. Withers	20,174	None
TOTALLING	118,765	2,000

shares; and

WHEREAS, the defendant David K. E. Bruce owns only an interest for life in the income from one of the trusts with respect to which adjudication is made by paragraph 2 of article IV hereof; and

WHEREAS, the following-named individuals, trustees and Individual Charitable Foundations, who are not now defendants in this cause but have submitted to the jurisdiction of this Court to the extent and in the form attached hereto, respectively own the following number of shares of common stock of both Alcoa and Limited, viz.:

<u>Name</u>	<u>Alcoa Shares</u>	<u>Limited Shares</u>
Ailsa Mellon Bruce	150,000	90,265
Doris Duke	116,448	83,565
Trustees of The Duke Endowment	184,911	131,840
Alfred M. Hunt	9,000	3,000
Paul Mellon	254,000	219,800
Sarah Mellon Scaife	421,974½	119,865
Avalon Foundation	2,000	20,000
Old Dominion Foundation	none	25,000
Richard King Mellon Foundation	none	20,000
Sarah Mellon Scaife Foundation	4,710	10,000
Mellon National Bank and Trust Company, Richard K. Mellon and Alan M. Scaife, trustees under trusts created by Sarah Mellon Scaife for one or more of her children	36,200	22,800
Mellon National Bank and Trust Company, Donald D. Shepard and George W. Wyckoff, trustees under trusts created by Andrew W. Mellon for the children of Ailsa Mellon Bruce	42,720	122,750

<u>Name</u>	<u>Alcoa Shares</u>	<u>Limited Shares</u>
Wilmington Trust Company, Donald D. Shepard and George W. Wyckoff, trustees under trusts created by Andrew W. Mellon and Ailsa Mellon Bruce for the latter's children	203,130	92,137½
Mellon National Bank and Trust Company, Donald D. Shepard and George W. Wyckoff, trustees under trusts created by Andrew W. Mellon for the children of Paul Mellon	37,888	5,695
Wilmington Trust Company, Donald D. Shepard and George W. Wyckoff, trustees under trusts created by Andrew W. Mellon for the children of Paul Mellon	61,812	29,407½
TOTALLING	1,524,793½	996,125
shares; and		

WHEREAS, the following-named defendants, and the following-named individuals and Individual Charitable Foundations who are not now defendants but have submitted to the jurisdiction of this Court to the extent and in the form attached hereto, have elected, respectively, to dispose of all of their shares of common stock of Limited, pursuant to the provisions of this judgment, viz.:

<u>Name</u>	<u>Number of Shares of Limited Stock to be Disposed of</u>
Ailsa Mellon Bruce	90,285
Arthur V. Davis	396,900
C. B. Fox	600
Alfred M. Hunt	3,000
Roy A. Hunt	113,060
Paul Mellon	219,800
Richard K. Mellon	273,285
Sarah Mellon Scaife	119,865
Paul J. Urquhart	400
Richard King Mellon Foundation	20,000
Sarah Mellon Scaife Foundation	10,000
Old Dominion Foundation	25,000
Avalon Foundation	20,000
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TOTALLING	1,292,175 shares;
and	

WHEREAS, the defendant Edward K. Davis has elected, pursuant to the provisions of this judgment, to dispose of all his shares of common stock of Alcoa, viz., 34,500 shares out of a total of 4,890,733 such shares issued and outstanding; and

WHEREAS, the following-named defendant, and the following-named individual and trustees who are not defendants but have submitted to the jurisdiction of this Court to the extent and in the form attached hereto, have agreed, respectively, to vest in the Limited trustees during the disposal period, and thereafter to surrender on the terms hereinafter stated, the voting power of all their shares of common stock of Limited, viz.:

<u>Name</u>	<u>Number of Shares of Limited Stock</u>
Edward K. Davis	36,000
Doris Duke	83,565
The trustees of The Duke Endowment	131,840
Mellon National Bank and Trust Company, Richard K. Mellon and Alan M. Scaife, trustees under trusts created by Sarah Mellon Scaife for one or more of her children	22,800
Mellon National Bank and Trust Company, Donald D. Shepard and George W. Wyckoff, trustees under trusts created by Andrew W. Mellon for the children of Ailsa Mellon Bruce	122,750
Wilmington Trust Company, Donald D. Shepard and George W. Wyckoff, trustees under trusts created by Andrew W. Mellon and Ailsa Mellon Bruce for the latter's children	92,137½
Mellon National Bank and Trust Company, Donald D. Shepard and George W. Wyckoff, trustees under trusts created by Andrew W. Mellon for the children of Paul Mellon	5,695

<u>Name</u>	<u>Number of Shares of Limited Stock</u>
Wilmington Trust Company, Donald D. Shepard and George W. Wyckoff, trustees under trusts created by Andrew W. Mellon for the children of Paul Mellon	29,407½

TOTALLING 524,195 shares;

and

WHEREAS, as a result of the previously recited disposals of 104,460 shares of Limited common stock by defendants, and others who have agreed to dispose of their Limited common stock under the terms of this judgment, since June 2, 1950 (the date of this Court's opinion requiring stock disposal), and as a result of the previously recited agreements to dispose of 1,292,175 shares of said common stock, and either to surrender or to vest in the Limited trustees the voting power of an additional 524,195 shares of said stock, ownership is being disposed of or voting control is being surrendered to the extent of an aggregate of 1,920,830 shares of said stock out of a total of 3,722,050 of said shares issued and outstanding, 51.6% of the total.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED  
AND DECREED:

# I.

## The Appointment of Trustees.

1. The following are hereby designated trustees for the purpose of performing certain duties with respect to the disposal and voting of certain common stock of Limited, as hereinafter set forth, viz.:

Donald K. David  
of Boston, Massachusetts,  
John L. Sullivan  
of Washington, District of Columbia,  
Chemical Bank and Trust Company  
of New York City, New York.

The above-designated three trustees are herein sometimes referred to as the "Limited trustees", the above-designated individual trustees as the "individual Limited trustees" and the above-designated corporate trustee as the "Limited corporate trustee". They are designated trustees for a term contemporaneous with the time required to complete the disposal of the common stock of Limited, directed by paragraph 1 of article II hereof. In case any Limited trustee should resign, his or its resignation shall be effective on the thirtieth day following delivery by him or it to each other Limited trustee and to the Clerk of the Court of notice of such resignation.

2. One of the Limited trustees shall at all times be a corporate bank or trust company, and if any such bank or trust company should resign, become disqualified, or be removed for any reason, a successor corporate bank or trust company shall be appointed by this Court to

succeed it. If the individuals herein appointed, or either of them, should die, resign, become disqualified or be removed for any reason, a successor to any such individual trustee shall be appointed by this Court.

3. The powers and duties of the Limited trustee shall be as hereinafter set forth in this judgment.

## II.

### The Designation of Those Required to Dispose of Stock and the Disposal Period.

1. Within ten years after the date of entry of this judgment (hereinafter sometimes referred to as the "disposal period"), each of the following-named individuals, viz., Ailsa Mellon Bruce, Arthur V. Davis, C. B. Fox, Alfred M. Hunt, Roy A. Hunt, Paul Mellon, Richard K. Mellon, Sarah Mellon Scaife and Paul J. Urquhart, and each of the following-named Individual Charitable Foundations (hereinafter described in paragraph 4 of article V hereof), viz., the Richard K. Mellon Foundation, the Sarah Mellon Scaife Foundation, the Old Dominion Foundation, and the Avalon Foundation, is hereby ordered to sell, exchange, or otherwise dispose of all the shares of common stock of Limited of which each said individual or Individual Charitable Foundation is the legal or equitable owner on the date of entry of this judgment.

2. Within ten years after the date of entry of this judgment, Edward K. Davis is hereby ordered to sell, exchange, or otherwise dispose of all the shares of common stock of Alcoa of which he is the legal or equitable owner on the date of entry of this judgment.

3. The terms and conditions of the stock disposals herein ordered shall be as hereinafter set forth.

## III.

### The Voting of the Stock to Be Disposed of and the Custody of the Certificates Representing Said Stock.

1. Each individual and Individual Charitable Foundation ordered to dispose of shares of common stock of Limited, as named in paragraph 1 of article II hereof, is hereby enjoined, from and after May 1, 1951, and until disposal, from voting said stock in person or from giving a proxy to vote said stock to anyone other than the Limited trustees.

2. Each individual and Foundation ordered to dispose of shares of common stock of Limited, as named in paragraph 1 of article II hereof, is hereby directed to execute and deliver to the Limited trustees on or before May 1, 1951, a proxy authorizing said trustees or any of them, with the usual power of substitution, to exercise, during the disposal period, the sole voting power of all shares of common stock of Limited held by said individuals and Foundations (regardless of whether acquired before or after this judgment) which shall not have been disposed of at the time of exercising such voting power; and, from time to time, if required by the Limited trustees, each of said individuals and Foundations shall renew and redeliver such proxy or proxies if any such renewals be required in order to vest in the Limited trustees the sole voting power of all said shares of stock held by said individuals and Foundations which shall not have been disposed of at the time of exercising such voting power; and each of said individuals and Foundations is hereby directed to deliver to the Limited corporate trustee a copy of each notice of a regular or

special meeting of stockholders of Limited that shall be received by him or it during the disposal period. The voting rights under any and all proxies given to the Limited trustees shall be exercised by the majority in number of the said trustees, either in person or by proxy.

3. Each individual and Foundation ordered to dispose of shares of common stock of Limited, as named in paragraph 1 of article II hereof, is hereby directed to so vote the shares of Limited common stock owned by him or it at the time of the annual meeting of stockholders of Limited to be held in April, 1951, that the individual Limited trustees (or such substitute nominee as either or both of said trustees may designate), and such person as the Limited corporate trustee may designate, are included in the slate of directors for which said stock is voted.

4. After this judgment shall have been operative for a reasonable period of time, the plaintiff, if then of the opinion that the enforcement of this judgment with respect to the disposal of Limited stock as provided in paragraph 1 of article II hereof so requires, may petition this Court to order any or all of the individuals or Foundations subject to such provisions to deposit the certificates representing the said Limited stock with the Limited corporate trustee in a custodian account, without the transfer of the shares out of the names of the present holders; and, upon a showing of sufficient cause, the Court will at that time make such an order with respect thereto or grant such other relief as is equitable.

#### IV.

#### The Voting of Certain Shares of Stock With Respect to Which Disposal Is Not Required.

1. The shares of common stock of Alcoa and Limited presently held by Doris Duke and the trustees of The Duke Endowment are not required to be disposed of under this judgment. Conversely, nothing herein is intended to limit the right of Doris Duke and the trustees of The Duke Endowment to dispose of said stocks, without restriction. However, Doris Duke and the trustees of The Duke Endowment are hereby directed to execute and deliver to the Limited trustees on or before May 1, 1951, one or more proxies authorizing the said trustees or any of them, with the usual power of substitution, to exercise, during the disposal period, the sole voting power of all said shares of common stock of Limited held by Doris Duke and the trustees of The Duke Endowment which shall not have been disposed of at the time of exercising such voting power; and from time to time, if required by the Limited trustees, the said Doris Duke and the trustees of The Duke Endowment shall renew and redeliver such proxy or proxies for all or any portion of the disposal period if any such renewals be required in order to vest in the Limited trustees the sole voting power of all said shares of stock of Doris Duke and the trustees of The Duke Endowment which shall not have been disposed of at the time of exercising such voting power. During the period in which Doris Duke and the trustees of The Duke Endowment are required to deliver proxies as above provided, and thereafter, until relieved by the further order of this Court, they and the successors in office of said trustees are each hereby enjoined, from and after May 1, 1951, from voting



said stock in person or from giving a proxy to vote said stock to anyone other than the Limited trustees.

2. The shares of common stock of Alcoa and Limited presently held in trust by (a) Mellon National Bank and Trust Company, Richard K. Mellon and Alan M. Scaife for one or more of the children of Sarah Mellon Scaife, (b) Mellon National Bank and Trust Company, Donald D. Shepard and George W. Wyckoff for the children of Ailsa Mellon Bruce, (c) Wilmington Trust Company, Donald D. Shepard and George W. Wyckoff for the children of Ailsa Mellon Bruce, (d) Mellon National Bank and Trust Company, Donald D. Shepard and George W. Wyckoff for one or more of the children of Paul Mellon, and (e) Wilmington Trust Company, Donald D. Shepard and George W. Wyckoff for one or more of the children of Paul Mellon (hereinafter sometimes referred to collectively as the "children's trusts"), aggregating with respect to the Limited stock 272,790 shares or 7.329% of the issued and outstanding common stock of Limited, are not required to be disposed of under this judgment. Conversely, nothing herein is intended to limit the right of the trustees of the children's trusts, or any of them, to dispose of said stocks, without restriction. However, the trustees of children's trusts are hereby directed to execute and deliver to the Limited trustees, on or before May 1, 1951, one or more proxies authorizing the said trustees or any of them, with the usual power of substitution, to exercise, during the disposal period, the sole voting power of all said shares of common stock of Limited held by the trustees of children's trusts which shall not have been disposed of at the time of exercising such voting power; and from time to time, if required by the Limited trustees, the said trustees of children's trusts shall renew and redeliver

such proxy or proxies for all or any portion of the disposal period if any such renewals be required in order to vest in the Limited trustees the sole voting power of all said shares of stock of the trustees of children's trusts which shall not have been disposed of at the time of exercising such voting power. During the period in which the trustees of the children's trusts are required to deliver proxies as above provided, and thereafter, until relieved by the further order of this Court, they and their successors in office are each hereby enjoined, from and after May 1, 1951, from voting said stock in person or from giving a proxy to vote said stock to anyone other than the Limited trustees.

3. The shares of common stock of Limited presently held by Edward K. Davis are not required to be disposed of under this judgment. Conversely, nothing herein is intended to limit the right of Edward K. Davis to dispose of said stock, without restriction. However, the said Edward K. Davis is hereby directed to execute and deliver to the Limited trustees on or before May 1, 1951, one or more proxies authorizing the said trustees or any of them, with the usual power of substitution, to exercise, during the disposal period, the sole voting power of all said shares of common stock of Limited held by the said Edward K. Davis which shall not have been disposed of at the time of exercising such voting power; and from time to time, if required by the Limited trustees, the said Edward K. Davis shall renew and redeliver such proxy or proxies for all or any portion of the disposal period if any such renewals be required in order to vest in the Limited trustees the sole voting power of all said shares of stock of Edward K. Davis which shall not have been disposed of at the time of exercising such voting power. During the period in which the said

Edward K. Davis is required to deliver proxies as above provided, and thereafter, until relieved by the further order of this Court, he is hereby enjoined, from and after May 1, 1951, from voting said stock in person or from giving a proxy to vote said stock to anyone other than the Limited trustees. The said Edward K. Davis is also enjoined from purchasing the legal title to or a beneficial interest in additional common stock of Limited at any time within the disposal period, and thereafter, unless this Court, after the disposal period, shall determine, upon petition, that such purchase is not, or subsequent purchases will not be, inconsistent with this judgment and its objectives.

4. The right is reserved to the individual and each of the trustees who is required by any of the paragraphs of this article IV to give proxies to the Limited trustees, or who is enjoined from voting Limited stock in any other manner, to apply to this Court, at any time or from time to time, for relief from any or all of the provisions of this article IV applicable to said individual or trustees; and upon a clear showing to the Court by the applicant that the common stock of Limited then held by the individual or trustee making the application would not, either alone or in combination with any other stock, exercise a control of the policies or management of Limited if voted by the said individual and trustees, this Court will make such order as is equitable.

5. The individuals and trustees who are required by any of the paragraphs of this article IV to execute and deliver proxies to the Limited trustees on or before May 1, 1951, are hereby directed to vote said shares of such stock as are owned by them, respectively, at the time of the annual meeting of stockholders of Limited to

be held in April, 1951, in the manner set forth in paragraph 3 of article III hereof.

6. The voting rights under any and all proxies given to the Limited trustees pursuant to this article IV shall be exercised by the majority in number of the said trustees, either in person or by proxy.

## V.

### Terms of Stock Disposal.

1. If reasonable market conditions prevail for an appreciable and adequate portion of the five-year period immediately following the date of entry of this judgment, the individuals and Individual Charitable Foundations who are ordered by paragraph 1 of article II hereof to dispose of their shares of stock in Limited are hereby directed to sell, at public or private sale, an aggregate of 400,000 shares of said stock within three years from the date of entry of this judgment and 200,000 additional shares of said stock within five years from the date of entry of this judgment, the hereinbefore-recited stock disposals aggregating 104,460 shares of said stock which have been made since June, 1950, to be included as part of the 400,000 shares to be disposed of within three years from the date of entry of this judgment. For the purpose of this paragraph 1 of article V, reasonable market conditions are to be determined by all relevant circumstances. In addition to such other circumstances as may be relevant, it is to be understood that reasonable market conditions shall not be deemed to exist if the price which can be realized at the time by the sellers in the market is not sufficiently high to reflect the fair value and true worth of the stock. Any shares of common stock of Limited which may be sold within said time periods by

any of the individuals or trustees, whose right to vote their Limited stock is controlled under any of the paragraphs of article IV hereof, or by the personal representatives of such an individual or of an individual subject to this paragraph 1 of article V, may be included in computing the above-mentioned aggregate of 400,000 shares and the additional above-mentioned aggregate of 200,000 shares; provided, that if any such sale is of 50,000 shares or more, either by itself or when cumulated with all other sales to be applied to the requirements of this paragraph 1 of article V, it may be included only if such sale shall have been made in conformity with the next succeeding sentence of this paragraph 1 of article V. With respect to any proposed private sales made in compliance with this paragraph 1 of article V, if it shall be proposed to sell to one purchaser, either at one time or cumulatively, 50,000 shares or more of common stock of Limited, the Attorney General shall be notified three business days in advance of any such proposed sale. If the Attorney General has cause to believe that those who are selling stock in compliance with this paragraph 1 of article V are not doing so in conformity with this judgment and its objectives, he may petition the Court for appropriate relief; and this Court will make such disposition of such petition as best conforms with this judgment.

2. If any individual or Individual Charitable Foundation directed by paragraph 1 of this article V to dispose of Limited stock within either three or five years from the date of entry of this judgment cannot comply with such direction because of the non-existence of reasonable market conditions, then, and in such event, such individual or Foundation which so decides shall, at or prior to the expiration of the period of time involved,

so notify the Attorney General. If the Attorney General disagrees with such decision, the matter may be submitted to the Court, which will determine whether reasonable market conditions did then or do prevail, and will make such order as is necessary and proper under the circumstances then prevailing.

3. With respect to all proposed disposals of Limited stock, other than (a) by public offering or through the medium of a stock exchange, or (b) to a citizen of the United States of America or the Dominion of Canada, or (c) to a corporation organized under the laws of one or the other of said countries, or state or province thereof, no individual or Foundation required to dispose of the common stock of Limited under the terms of article II hereof shall do so with respect to any block of such stock consisting of 3,000 shares or more to one purchaser without first notifying the Attorney General and the Limited corporate trustee at least five business days before closing such transaction and furnishing to the Attorney General and the Limited corporate trustee such information concerning such transaction as the Attorney General and said trustee shall reasonably require; and if, within that time, the Attorney General or the Limited corporate trustee shall have submitted the propriety of the proposed disposal to this Court, the disposal shall not be consummated unless so authorized by this Court.

4. Nothing in this judgment contained shall limit or prevent any of the individuals required by article II hereof to dispose of stock from donating such stock in kind, at any time and from time to time, without limit in amount, to foundations or organizations for religious, educational or charitable purposes heretofore, or hereafter to be, created by one or more of such individuals

or members of their families, such as (by way of example), the Richard K. Mellon Foundation, the Sarah Mellon Scaife Foundation, the Old Dominion Foundation and the Avalon Foundation. Foundations or organizations of the character defined in this paragraph 4 of article V hereof are herein sometimes referred to as "Individual Charitable Foundations." However, disposals to Individual Charitable Foundations are not to be deemed disposals sufficient to satisfy the requirements of either article II hereof or paragraph 1 of this article V unless the Individual Charitable Foundations themselves shall dispose of such stock within the periods mentioned in said articles, respectively, and shares of stock presently held by or hereafter donated to Individual Charitable Foundations during the disposal period shall be subject to the provisions of this judgment in all respects as if they were in the hands of the individual who made such donation.

5. Except as limited by the preceding paragraphs of this article V and by paragraph 12 of this article V all the individuals and Foundations, respectively, whose stock is required to be disposed of under the provisions of article II of this judgment, shall have the right from time to time to make such disposal by sale, exchange, gift or otherwise, on such terms and in such amounts as each such individual or Foundation may determine. Among other methods of exchange, the individuals and Foundations, respectively, from time to time may dispose of part or all of any stock of either Limited or Alcoa by exchanging the same for stock in the other of said two corporations.

6. If either Limited or Alcoa shall (with respect to any shares required to be disposed of or on which

voting rights are to be surrendered under articles II or IV hereof) issue a stock dividend in additional shares of stock or shall subdivide its outstanding shares into a greater number of shares, all of such additional or subdivided shares shall be held subject to the provisions of this judgment. If, with respect to any of said shares, either of said corporations shall combine its outstanding shares into a lesser number of shares, such lesser number of shares shall likewise be held subject to the provisions of this judgment. In either contingency, the specific number of shares of said stock mentioned in paragraphs 1 and 3 of this article V, shall be increased or decreased correspondingly, as the case may be. If either Limited or Alcoa shall merge or consolidate with one or more other corporations, or shall effect a recapitalization, and new securities shall be issued for or in replacement of stock required to be disposed of or on which voting rights are to be surrendered under articles II or IV hereof, then such new securities shall be held subject to the provisions of this judgment, and the specific number of shares of stock mentioned in paragraphs 1 and 3 of this article V shall be adjusted on a pro rata basis to the number of new securities issued.

7. If either Limited or Alcoa shall issue any additional shares of stock to which the individuals or Foundations, respectively, whose stock is required to be disposed of or on which voting rights are to be surrendered under the provisions of articles II or IV hereof shall have the right of subscription, any shares of common stock acquired by any of said individuals or Foundations by exercise of such subscription right shall be held subject to the provisions of this judgment.

8. All or any of the individuals or Foundations required to dispose of stock under the terms of article II

hereof may, from time to time, appoint any bank or trust company (except the Limited corporate trustee) or any one or more persons, corporations or other legal entities to act as their agent or agents with respect to the stock of any such individual or Foundation to be disposed of hereunder, including the power of any such agent or agents to direct any sale, exchange, gift or other disposal of all or any of said stock.

9. On or before July 15, 1951, and quarter-yearly thereafter during the disposal period or until disposal has been completed, each of the individuals and Foundations required to dispose of Limited stock under the terms of paragraph 1 of article II hereof (or such individual's successor in interest, if an Individual Charitable Foundation) is hereby directed to file with the Limited trustees a written statement giving the number of shares of the stock of such individual or Foundation disposed of during the preceding three calendar months in compliance with this judgment, which statement shall include: (i) in the case of private placements, the names of the persons or corporations, including principals (as far as known to the individuals or Foundations), to whom such disposals have been made; (ii) a statement as to whether, to the knowledge of the individuals or Foundations, any such persons are, or are agents for, Alcoa or any of its subsidiaries or any company in which Alcoa is a substantial stockholder or are persons, or agents for persons, enjoined by paragraphs 10 and 12 of this article V or by paragraph 3 of article IV hereof from acquiring the legal title to or a beneficial interest in shares of common stock of Limited, and (iii) in the case of public offerings, the names of the underwriters. Similar statements shall be filed with the Clerk of this Court and the Attorney General by the individual re-

quired to dispose of Alcoa stock under the terms of paragraph 2 of article II hereof (or such individual's successor in interest, if an Individual Charitable Foundation). The written statements required by this paragraph 9 of article V shall be signed by the individuals or Foundations, respectively, either in person or by their duly authorized officers or trustees or by their attorneys or agents.

10. Each of the individuals and Foundations required to dispose of stock under the terms of article II hereof, upon complete compliance with such direction, shall forthwith file with the Clerk of this Court a Certificate stating that at the date of such certificate said individual or Foundation owns no common stock in the corporation whose stock such individual or Foundation was directed to dispose of under article II hereof. A copy of such certificate with respect to disposals of Limited stock shall be filed with the Limited trustees. No individual or Foundation required to dispose of stock under the terms of article II hereof, shall purchase the legal title to or a beneficial interest in additional common stock of the corporation in which such individual or Foundation is required to dispose of stock at any time within the disposal period, nor thereafter, unless this Court, after the disposal period, shall determine, upon petition of one or more of said individuals, that such purchase is not, or subsequent purchasers will not be, inconsistent with this judgment and its objectives. The defendants J. J. Demskie, C. B. Fox, J. R. D. Huston, C. L. Lycette, George J. Stanley, Irving W. Wilson, Robert E. Withers, and Paul J. Urquhart shall not purchase the legal title to or a beneficial interest in shares of common stock of Limited during the disposal period, nor thereafter, unless this Court after the disposal period

shall determine, upon petition of one or more of said defendants that such purchase is not or subsequent purchases will not be inconsistent with this judgment and its objectives. If any of said individuals, defendants or Foundations shall receive such stock within the disposal period through gift or bequest, the said individual or Foundation shall dispose of said stock within the disposal period.

11. The individuals and Foundations subject to this judgment are directed to comply with all applicable statutes relating to the subject matter.

12. No individual or Foundation required to dispose of common stock of Limited under the terms of paragraph 1 of article II hereof may dispose of any of said stock at private sale or by gift *inter vivos* to the close kindred of any of said individuals or to any corporation or business entity of any kind in which any of said individuals or Alcoa, alone or together with any of the individuals or Foundations required by this judgment to dispose of common stock of Limited, has or have in fact a controlling interest. Nevertheless, the Attorney General may apply to this Court for injunctive or other relief with respect to any private sale or gift of stock, and upon a showing satisfactory to the Court, the Court will make any appropriate order necessary if such private sale or gift shall appear to be inconsistent with this judgment and its objectives.

13. Any notice or copy of certificate required to be given to the Limited trustees hereunder, shall be sufficiently given if three copies thereof are delivered to the Limited corporate trustee. The said corporate trustee shall promptly transmit a copy of said notice or certificate to the individual Limited trustees. At any time

when action is authorized hereunder by the Limited trustees, and one or both of the individual Limited trustees are, by reason of absence, illness or other cause, not reasonably available for consultation and action, the remaining Limited trustees shall have the right to act for and on behalf of the Limited trustees, but if only the Limited corporate trustee is available, it may act for and on behalf of the Limited trustees only, after due notice to the Attorney General, upon application to and approval by this Court of such individual action.

14. Upon the death of any one or more of the individuals required to dispose of stock under the terms of paragraph 1 of article II hereof, nothing shall relieve the personal representatives of any such deceased individual from such individual's obligation to contribute such portion of the stock to be sold under paragraph 1 of article V hereof as may be equitable between the individuals and Individual Charitable Foundations subject to said paragraph. So long as the personal representatives of any such deceased individual shall hold Limited stock, they shall be under the same obligation to deliver one or more proxies to the Limited trustees, and subject to the same injunctions with respect to the voting of said stock otherwise than through such trustees, as the decedent would have been under if living; provided, however, that without impairing the obligation of the personal representative stated in the first sentence of this paragraph 14 of Article V, in the event that the personal representatives of any such deceased individual shall find that the delivery of such proxies to the Limited trustees impedes the hypothecation of the Limited stock held by the personal representatives and thereby interferes with the orderly administration of the estate, then, upon petition to the Court and a satisfactory showing of

such facts, the Court may direct that for such period of time as the Court shall find necessary the voting rights of the Limited stock shall pass to the personal representatives of such deceased individual.

15. Subject only to the requirements of paragraph 14 of this article V, upon the death of any one or more of the individuals required to dispose of stock under the terms of article II hereof, all of the provisions of this judgment with respect to the disposal or voting of stock of each such individual shall *ipso facto* immediately terminate without any further judgment or order of this Court and all of said shares, including any stock dividends thereon, shall be received, used, and disposed of by the personal representatives of any such deceased individual without being in any way limited or affected by the provisions of this judgment. Upon any such death, the personal representatives of the decedent shall file with the Clerk of this Court an appropriate certificate advising of such death, and a copy of such certificate shall be filed with the Limited trustees if the decedent was ordered by paragraph 1 of article II of this judgment to dispose of Limited stock; and thereupon the Limited corporate trustee or anyone else holding stock of the decedent in a custodian account or otherwise pursuant to prior order of this Court, shall forthwith deliver such certificates to the personal representative of the decedent, without any further order or judgment of this Court.

## VI.

### The Limited Trustees—Their Authority, Duties and Compensation.

1. It shall be the duty of the Limited trustees to vote the common stock of Limited with respect to which they shall receive proxies under the terms of articles III and IV hereof as, in their judgment, shall be in the best interests of the stockholders of Limited.

2. The Limited trustees may vote the common stock of Limited with respect to which they may have received proxies under the terms of articles III and IV hereof in favor of the election of the individual Limited trustees (or such substitute nominee as either or both of said individual trustees may designate) and a representative of the Limited corporate trustee or any one or more of said persons. Such substitute nominee may not be any of the defendants or any of the individuals who have submitted to the jurisdiction of this Court to the extent and in the form attached hereto, or any representative of such defendants or individuals.

3. It shall be the duty of the Limited trustees to examine each quarter-yearly report filed with the Limited trustees pursuant to paragraph 9 of article V hereof in order to ascertain that no disposal of Limited stock has been made, by means of a private placement, either directly or indirectly to Alcoa or any of its subsidiaries or any company in which Alcoa is a substantial stockholder, or to any persons, or agents for persons, enjoined by paragraphs 10 and 12 of article V hereof or by paragraph 3 of article IV hereof from acquiring legal title to or a beneficial interest in shares of common stock of Limited, and, in that connection, the Limited trustees may

conclusively rely on the information set forth in such reports, except as to matters of which the Limited trustees have personal knowledge.

4. The Limited corporate trustee shall submit to this Court, for such order as it may deem appropriate, the circumstances with respect to any proposed disposal of stock reported to it under paragraph 3 of article V hereof if and whenever the said corporate trustee is of the opinion that such proposed disposal, in the light of all the circumstances, including the amount of stock involved, presents a security risk to the United States of America or the Dominion of Canada.

5. The plaintiff, Alcoa, or any individual, Foundation or trustee who is a defendant herein or who has submitted to the jurisdiction of this Court to the extent and in the form attached hereto, may from time to time apply to this Court for relief from any failure of the Limited trustees to perform properly their duties hereunder, or for any breach of said duties and, among other remedies, shall be entitled to such injunctive relief against waste or mismanagement as may be appropriate. The Limited trustees shall at all times be subject to the control of this Court and may be removed for cause. However, no Limited trustee shall be surcharged or subject to other suit or penalty for any act taken, or for any omission to act, when done or omitted to be done in the exercise of good faith and a reasonable judgment.

6. The Limited trustees, or any of them, may in the discharge of their duties hereunder, employ legal counsel, accountants and agents, and determine and pay them reasonable compensation. The Limited trustees shall be entitled to receive from time to time reasonable compensation for their services hereunder and reim-

bursement for reasonable expenses incurred in connection therewith, which compensation and reimbursement shall be fixed and allowed by this Court from time to time. Such compensation and reimbursement shall be assessed as costs and paid by Alcoa. Alcoa may apply to the Court for relief from the payment of any claims by the trustees for services or reimbursement of expenses which it asserts to be unjustified or excessive.

## VII.

### Stay of Judgment.

If (a) any appeal shall be taken by the United States of America from this judgment, or (b), without limiting the provisions of paragraph VIII of the judgment of this Court entered July 6, 1950, any proceedings shall be brought by the United States of America for further relief in this case within the five-year period provided for in said paragraph or (c) any further suit or proceedings shall be brought by the United States of America against individual shareholders to require additional disposal of stock in either Limited or Alcoa, then, and in any of such contingencies, the defendants, and the individuals, trustees and Individual Charitable Foundations who are not defendants but have submitted to the jurisdiction of this Court to the extent and in the form attached hereto, or any of said defendants, individuals, trustees or Foundations may petition this Court for relief from the provisions of this judgment; and this Court will enter such order with respect thereto as is equitable under then existing circumstances.



VIII.

Retention of Jurisdiction.

Without limiting the provisions of paragraphs VIII and X of the judgment of this Court of July 6, 1950, jurisdiction of this cause is retained for the purpose of enabling the plaintiff, Alcoa, or any individual, Foundation or trustee who is a defendant herein or who has submitted to the jurisdiction of this Court to the extent and in the form attached hereto, respectively, to apply to this Court at any time for such further orders or directions as may be necessary or appropriate for the construction or complete execution of this judgment, for the modification or termination of any of the provisions thereof, for the enforcement of compliance therewith and for the punishment of any violations thereof.

JNO. C. KNOX  
Chief Judge

January 16th, 1951

FORM OF SUBMISSION TO JURISDICTION

[To be executed by each person or entity voluntarily submitting to the judgment]

IN THE DISTRICT COURT OF THE UNITED STATES  
FOR THE SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,	}	Equity No. 85-73
Petitioner,		
v.		
ALUMINUM COMPANY OF AMERICA, ET AL., Defendants.		

Submission to Jurisdiction

The undersigned hereby submits to the jurisdiction of this Court in the above-captioned cause for the purpose of being bound by those portions of this Court's judgment to be entered this day, which relate to the undersigned and to such proceedings as may be necessary to the interpretation or enforcement, or both, of said judgment, but for no other purpose and to no further extent whatsoever. Without limiting either the plaintiff's or any of the defendants' right to appeal from or review said judgment to be entered this day, this submission to jurisdiction does not extend to any other or further proceedings in this cause, or to any judgment that may be entered as a result of any appeal from or review of this judgment, and is made without admission of any violation of law or of the correctness of any findings of fact which may have been made in this cause.

IN WITNESS WHEREOF the undersigned has executed this submission to the jurisdiction of this Court this ..... day of ....., 1951.

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