

July 21, 1961.

Dear Ted:

I have had a telephone discussion with Sir Roy this morning and so that you will be kept right up to date I am enclosing a copy of my letter to Sir Roy, dated July 13th.

Sir Roy goes along with practically everything that has been said in my letter, the one worry he has is the possibility of your leaving voluntarily at the end of five years. He is quite agreeable to the pension arrangement similar to Doug. Ambridge's in the event that the company cancels its agreement with you. He cannot visualize this happening, but in the event that it did he would be quite agreeable to your having the full pension, less $1\frac{1}{2}\%$ for each year short of your 65th birthday. On the other hand, if you voluntarily leave at the end of five years he does not think it is reasonable for this clause to be operative and wants to know your views regarding this eventuality.

He is quite agreeable to the stock option being operative for a period of six months in the event of your death but feels that while you are alive and with the company that you should pick up the option before severing your connection with the company. This seems reasonable and possibly we can discuss this.

Since starting to dictate this letter I have spoken to you on the telephone and look forward to seeing you this afternoon or at the latest on Tuesday morning at 11:30.

Sincerely,

Mr. T.J. Emmert,
61 Bayview Ridge,
Willowdale.