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alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading except any such untrue statement or alleged untrue statement or omission or alleged omission which is made in reliance upon and in conformity with information furnished by Selling Shareholders in writing specifically for use in the preparation of such registration statement, prospectus or preliminary prospectus. In connection with any underwritten offering of the Shares, National will enter into an agreement under which National will agree to indemnify the underwriters to the same extent as it indemnifies the Selling Shareholders.

2(d)(ii) Any party which proposes to assert the right to be indemnified under this Section 2(d) will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim is to be made against an indemnifying party under this Section 2(d), notify each such indemnifying party of the commencement of such action, suit or proceeding, enclosing a copy of all papers served, but the omission so to notify such indemnifying party of any such action, suit or proceeding shall not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 2(d). In case any such action, suit or proceeding shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof the indemnifying party shall not be liable to such indemnified party for any legal or other expenses, other than reasonable costs of investigation subsequently incurred by such indemnified party in connection with the defense thereof. The indemnified party shall have the right to employ its own counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of counsel by such indemnified party has been authorized by the indemnifying parties, (ii) the indemnified party shall have reasonably concluded that there may be a conflict of interest between the indemnifying parties and the indemnified party in the conduct of the defense of such action (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party) or (iii) the indemnifying parties shall not in fact have employed counsel to assume the defense of such action. An indemnifying party shall not be liable for any settlement of any action or claim effected without its consent.

2(e) National's obligations to effect registration of Shares hereunder shall include such qualification under applicable blue sky or other state securities laws as may be necessary to enable you to offer and sell the Shares.

3. Until satisfaction of the conditions set forth in Section 2 hereof, stop transfer instructions will be given to the transfer agent for the Shares and each certificate for Shares and each certificate delivered on transfer of or in substitution for any such certificate, shall bear a legend in substantially the following form:

"The shares represented by this certificate are subject to restrictions imposed by the Securities Act of 1933. The shares may not be sold or transferred in the absence of registration or an exemption therefrom under the Securities Act of 1933. The shares are held subject to the terms and conditions of an agreement dated as of _____, which may be examined at the office of National Distillers and Chemical Corporation in New York City."

Notwithstanding the other provisions of this Agreement, the conditions set forth in the first sentence of Section 1 hereof shall be deemed satisfied upon submission to National of an opinion, in the form and substance satisfactory to National and its counsel, of Messrs. Taft, Stettinius & Hollister or other counsel reasonably satisfactory to National and its counsel to the effect that a proposed sale, transfer or other disposition of the Shares may be made without registration under the Act. Upon receipt of such an opinion National will issue a new certificate without the foregoing legend in substitution for any such certificate bearing such legend.