

Houston, Texas.

*To the Stockholders of The Texas Company:*

In view of the confusion arising out of the submission of two proxies: (1) J. S. Cullinan, W. C. Hogg and Jas. L. Autry, and (2) J. J. Mitchell, A. B. Hepburn, J. N. Hill, Arnold Schlaet and L. H. Lapham; and, contemplating the purport of the communication signed by the gentlemen submitting the later proxy, I deem it becoming and proper, in fairness to you and to myself, to make the following short statement in answer to numerous inquiries:

(1) From a small and modest enterprise, the stock of which was held entirely in Texas, your company has grown in financial strength and resources until now the majority of the stock is held in the North and East.

(2) Its original management, its corporate attitude and activities were branded with the name Texas and Texas ideals.

(3) The first proxy was sent you with the expressed intention (1) of electing Mr. Jas. N. Hill to succeed the late Mr. Charles G. Gates on the Board (otherwise unchanged in personnel); (2) of advancing Mr. E. C. Lufkin and Mr. T. J. Donoghue to the First and Second Vice Presidencies, respectively; and (3) of indefinitely postponing the selection of an Executive Committee.

(4) The Texas Company was organized in 1902 under Texas laws; being a Texas corporation, it is to be conclusively presumed that it was the intent that Texas laws as to management should be observed, and, accordingly, that actually as well as nominally the headquarters and governing authorities should be kept

Houston, Texas

To the Stockholders of The Texas Company:

In view of the confusion arising out of the submission of two proxies: (1) J. S. Cullinan, W. C. Hogg and Jas. L. King; and (2) J. J. Mitchell, A. B. Haggard, J. N. Hill, Arnold Behlert and J. M. Lapan; and, contemplating the purpose of the communication signed by the persons submitting the later proxy, I deem it becoming and proper, in fairness to you and to myself, to make the following short statement in answer to numerous inquiries:

(1) From a vote of and record of the stock of which was held entirely in Texas your company has grown in financial strength and resources until now the majority of the stock is held in the North and West.

(2) Its original management for corporate affairs and activities were transacted with the name Texas and Texas fields.

(3) The first proxy was sent out with the expressed intention (1) of electing Mr. Jas. N. Hill to succeed the late Mr. Charles G. Case on the board (otherwise mentioned in paragraph 12) of advancing Mr. R. C. Lusk and Mr. T. J. Tompkins to the First and Second Vice Presidencies, respectively; and (3) of definitely postponing the selection of an Executive Committee.

(4) The Texas Company was organized in 1902 under Texas laws; being a Texas corporation, it is to be conclusively presumed that it was the intent that Texas laws as to management should be observed and accordingly that actually as well as nominally the headquarters and governing authorities should be kept

and maintained in Texas. Under Texas law, the Board of Directors is charged with the duty of administration, whereas under practice certain members of the Executive Committee, of whom six out of seven live outside of the State, have persistently undertaken to usurp the functions of the Board. When the proxies mentioned were sent out it was explained to some of the larger stockholders that if such proxies prevailed the election of an Executive Committee would be indefinitely postponed, and this was the most significant issue presented. It was believed that in this manner this issue, as well as incidental issues, could be settled without undue, and perhaps hurtful, friction and publicity.

(5) Whether or not I continue to be President is immaterial to the issue now made.

(6) These questions at this time have practically no bearing on the earnings of your company—with the bases now laid for securing production, pipe-line transportation, refining, and distribution, coupled with the established marketing facilities, I can reassure you firmly on this point.

(7) Trusting that you will be represented at the meeting by one proxy or the other, and hoping that, if you agree to my position as herein stated, you will take steps to give me the support of your vote by proxy or in person, I am,

Respectfully yours,  
J. S. CULLINAN,  
*President.*

November 17, 1913.